MICKEY LELAND CHILDHOOD HUNGER RELIEF ACT

(Secretary Mike Espy)

Y 4. AG 8/1: 103-11

Mickey Leland Childhood Hunger Reli...

HEARING

BEFORE THE

COMMITTEE ON AGRICULTURE
HOUSE OF REPRESENTATIVES

ONE HUNDRED THIRD CONGRESS

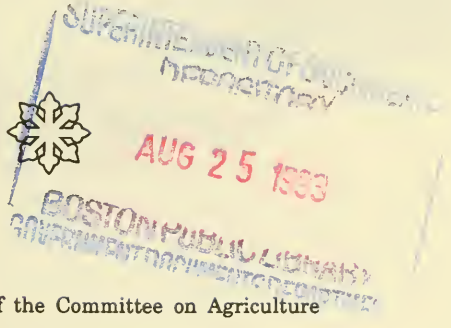
FIRST SESSION

ON

H.R. 529

APRIL 28, 1993

Serial No. 103–11



Printed for the use of the Committee on Agriculture

U.S. GOVERNMENT PRINTING OFFICE

69–454 WASHINGTON : 1993

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Superintendent of Documents, Congressional Sales Office, Washington, DC 20402
ISBN 0-16-041111-4

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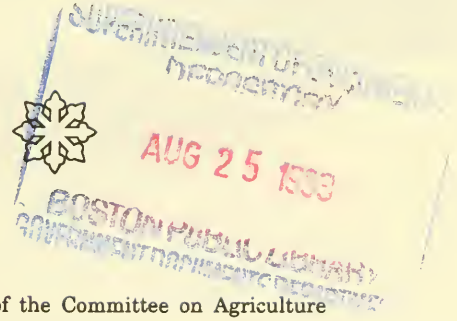

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MICKEY LELAND CHILDHOOD HUNGER RELIEF ACT

WEDNESDAY, APRIL 28, 1993

HOUSE OF REPRESENTATIVES,
COMMITTEE ON AGRICULTURE,
Washington, DC.

The committee met, pursuant to notice, at 1:35 p.m., in room 1300, Longworth House Office Building, Hon. E (Kika) de la Garza (chairman of the committee) presiding.

Present: Representatives English, Stenholm, Volkmer, Penny, Long, Peterson, Dooley, Clayton, Hilliard, Barlow, Pomeroy, Holden, McKinney, Baesler, Thurman, Bishop, Lambert, Thompson, Roberts, Emerson, Gunderson, Lewis, Smith, Allard, Barrett, Nussle, Boehner, Ewing, Goodlatte, Dickey, Pombo, and Canady.

Staff present: Julia M. Paradis, assistant counsel; William E. O'Conner, Jr., minority policy coordinator; John E. Hogan, minority counsel; Glenda L. Temple, clerk; Anita R. Brown, James A. Davis, and Lynn Gallagher.

OPENING STATEMENT OF HON. E (KIKA) de la GARZA, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF TEXAS

The CHAIRMAN. The committee will be in order.

Before we proceed, with the permission of the members, we have some guests who I would like to introduce to the membership and to the Secretary. It's our honor to have with us today, and who will be here, I understand, for several days, the president of the Federation of Swedish Farmers, and he also is the chairman of the International Federation of Agriculture Producers, Mr. Bo Dockered from Sweden.

We welcome you, sir, and those who come with you.

[Applause.]

The CHAIRMAN. We're very happy to have you here and look forward to further meetings with you while you're here.

Mr. Secretary, we're very happy to have you again. Welcome home. We're always happy to have you come back to our committee.

We meet today in order to continue our ongoing effort to address domestic and foreign assistance programs. Our objectives at this hearing and the subcommittee hearing immediately following this hearing are to review the administration of U.S. food assistance programs, both domestic and foreign, and to try and determine how these programs can be improved and made more effective within the constraints of the Federal budget.

Let there be no doubt about this committee's commitment and my personal interest in the programs that help meet the food needs of low-income and homeless people here at home and to impoverished and starving people abroad. Regardless of what happens elsewhere in Congress, our responsibility and commitment to focus Government resources on fighting hunger here at home and abroad have always been there. Perhaps we do not get enough credit for our efforts to improve our nutrition programs, but it is here in the Committee on Agriculture that real legislative accomplishments have been attempted and achieved.

I'm giving each member of the committee a list of our achievements—the laws that are now on the books that have been enacted by the Congress that came from this committee, the reports that we have had and the hearings that we have had—so that there be no equivocation that we have been there, that we have done to the utmost, within the constraints of budget, what needed to be done. Yes, there is more to be done, and we have to admit that, but let no one say that this committee has not achieved, to the extent possible, our responsibilities in meeting these issues.

The focus now is, for example, in Somalia. In the 1970's, the chairman of this committee assigned the chairman of the subcommittee, who is your present chairman, to work on the problems of hunger abroad. I went to Somalia before many knew where Somalia was. I went to Mozambique. I went to Ethiopia. I went to Sudan. I went to the Central African Republic. I went to Chad. I went to Cameroon. I went to Mauritania. We went the width and length of Africa looking, and a report was made in 1974.

I wish to commend my colleagues, Chairman Charlie Stenholm, of the Department Operations and Nutrition Subcommittee, and Tim Penny, of what we now call the Foreign Agriculture and Hunger Subcommittee, for what they are working on and will continue working.

Mr. Secretary, you worked on the Mickey Leland bill, you worked with us on the food assistance programs, you worked with us in the development of rural legislation. It was your legislation for the minority farmers and the minority people in rural America that was put on the books. So we commend you for your continued interest. I commend you for your initiative to have forums throughout the country and that the first one be on hunger. We commend you because we have been doing that, and we will continue to be doing that. We look forward to receiving from you, Mr. Secretary, the information that you will gather at this forum that you will be having and that it will complement all that we have done.

I have been to food banks in Chicago and New York—in the Bronx and Brooklyn—and L.A. and Houston. As you know, we—and you too—have gone to many areas of the country as a member of the committee. We worked with you when you were a member of the Select Committee on Hunger in the House. I don't know what is going to happen in that area, but I can assure you that as far as this committee is concerned, we are the Committee on Hunger in this House. Tim Penny will handle overseas hunger issues, and I know that he is capable and very able and will be working with you. Mr. Stenholm has the jurisdiction of the food stamps and

other nutrition programs, and he also has dedicated much of his effort in that regard.

So we look forward to working with you. The list is here of what we have done, lest anyone question whether we have fulfilled to the *n*th degree our responsibility. But the problem is that we have not conquered. We have merely made a dent, and the effort must continue, and we will continue it.

Any prepared statements submitted by the members will appear at this point in the record.

[The prepared statements of Mr. de la Garza, Mrs. Clayton, Ms. McKinney, Mr. Lewis, Mr. Canady, and H.R. 529 follow:]

Statement by Rep. Kika de la Garza (D-TX)
Chairman, House Agriculture Committee

Committee Hearing on Domestic and Foreign Food Needs
and U.S. Food Assistance Programs
April 28, 1993

The Committee on Agriculture has scheduled this hearing to renew its on-going and continuous efforts to address domestic and foreign food assistance needs.

Our objectives at this hearing and the Subcommittee hearings to follow are simple: to review the administration of U.S. food assistance programs -- both domestic and foreign -- and to try to determine how these programs can be improved and made more effective within the constraints of the Federal budget.

Let there be no doubt about this Committee's commitment to -- and my personal interest in -- the programs that help meet the food needs of low-income and homeless people here at home and to impoverished and starving peoples abroad.

Regardless of what happens elsewhere in Congress, our responsibility and commitment to focus government resources on fighting hunger here at home and abroad have always been there. Perhaps we do not get enough credit for our efforts to improve our nutrition programs. But it is here in the Committee on Agriculture that real legislative accomplishments have been attempted and achieved.

This Committee has made food and hunger issues a top agenda item throughout my tenure as Chairman. Our record is one that I am proud of, and I would ask that a staff-prepared statement of activities by the Committee on Agriculture on food and hunger issues over the past two Congresses be made available to the public and included in the hearing record following my statement.

I want to commend my colleagues, Chairman Charlie Stenholm of the Subcommittee on Department Operations and Nutrition, and Chairman Tim Penny of the Subcommittee on Foreign Agriculture and Hunger, for scheduling their Subcommittee hearings on hunger issues early in the 103rd Congress. I look forward to working with them and their Subcommittees as we seek to strengthen our nation's food assistance programs.

We are pleased to have with us today the Secretary of Agriculture who is here to discuss the Administration's recommendations concerning H.R. 529, the Mickey Leland Childhood Hunger Relief Act, and the status of USDA's foreign food assistance programs.

The purpose of the Mickey Leland bill is simply to better meet the food needs of low-income families with children. It is not a new proposal. In fact, we have passed the Mickey Leland bill twice out of this Committee -- first in 1990 as part of the 1990 farm bill and again in 1992 when it was attached to the

Family Preservation Act. Unfortunately, in both cases the legislation stalled because of the lack of off-setting revenue increases or budget cuts as required under the "pay-go" provisions of the 1990 budget agreement.

Today we renew the fight to help needy children. This year we have an opportunity to pass and fund the Mickey Leland Childhood Hunger Relief Act. With the support of President Clinton and our former colleague, OMB Director Leon Panetta, we now have a President's budget proposal and a congressional budget resolution that provide for the funding of this very important legislative initiative. It is my hope and intention to see this third attempt at passage succeed.

This Committee has, to the extent possible and within the constraints of the budget, sought to respond to the human needs that cry out for our attention and compassion.

But something very fundamental is wrong in our economy when a nation like ours has more than 26 million Americans -- more than 10 percent of the population -- receiving food stamps. Our food supply is the most affordable in the world ... and yet people and children go to bed hungry. This should not happen.

Our world has the productive capacity to feed all of its peoples -- and yet we see starvation in Somalia and Bosnia. This should not happen.

Almost 20 years ago, when I was Chairman of what was then called the Subcommittee on Department Operations, we held a series of hearings that focused on many of the issues we are looking at this week: the world food supply, population growth, food reserves, etc.

I was struck by the similarities of the problems then and now. My opening statement for one of those hearings back in 1974 alluded to the "mass starvation that is occurring in several countries."

In 1974, I discussed the problem of U.S. food aid "rotting in ports ... not reaching the people for whom it was intended." And I talked about the need for developing long-range solutions to food shortages and distribution problems.

Over the past two decades we have done much to improve our domestic and foreign food assistance programs. But as long as natural disaster, economic turmoil and civil strife occur in our world, there will be a need for further refinements in our food assistance programs.

This Committee has done and must continue to do its part to ensure that we have properly-funded and sensible programs that bring food to the people who need it most here at home and abroad.

#

100TH CONGRESS

Bills Enacted Into Public Laws:

Stewart B. McKinney Homeless Assistance Act. H.R. 558.
Committee on Agriculture appointed as conferees. Conference report filed on June 19, 1987, **H.Rept. 100-174.** July 22, 1987 signed into **P.L. 100-77.**

Agriculture Commodity Distribution Act of 1987. H.R. 1340.
Subcommittee on Domestic Marketing, Consumer Relations, and Nutrition held a hearing on March 18, 1987 (Hearing Serial #100-6, Agricultural Commodity distribution Act of 1987)
Committee on Agriculture reported to the House on July 13, 1987 **H. Rept. 100-216, Part 1.** January 8, 1988 signed into **P.L. 100-237.**

Charitable Assistance and Food Bank Act of 1987. H.R. 3435.
Committee on Agriculture reported to the House on December 14. 1987, **H.Rept. 100-478 pt. 1.** January 5, 1988 signed into **P.L. 100-232.**

Hunger Prevention Act of 1988. H.R. 4060, S. 2560.
Committee on Agriculture reported to the House on August 5, 1988, **H. Rept. 100-828, Part 1.** Sept. 19, 1988 signed into **P.L. 100-435.**

Family Independence Demonstration Project amendments. H.R. 4998.
Committee on Agriculture reported to House on August 8, 1988. **H.Rept. 100-840.** October 11, 1988 signed into **P.L. 100-481.**

Family Welfare Reform Act of 1988. H.R. 1720.
Committee on Agriculture appointed as conferees on July 7, 1988. Sept. 28, 1988, Conference report filed **H.Rept. 100-998.** Oct. 13, 1988 signed into **P.L. 100-485.**

Technical correction in Hunger Prevention Act. S. 2885.
Passed the Senate on Oct. 12, 1988. Passed the House on Oct. 20, 1988. Nov. 5, 1988 signed into **P.L. 100-619.**

Bills Reported:

Food Assistance for the Homeless. H.R.177.
Subcommittee on Domestic Marketing, Consumer Relations, and Nutrition held a hearing on Feb. 24, 1987 (Hearing Serial #100-1, Review of Nutrition Programs Which Assist the Homeless).
Committee on Agriculture reported H.R. 177 to the House on February 27, 1987, **H. Rept. 100-8.**

Food Stamp Family Welfare Reform Act. H.R. 3337.
Subcommittee on Domestic Marketing, Consumer Relations, and Nutrition held a hearing on May 5, 1987 (Hearing Serial #100-15, Welfare Reform Proposals.
Committee on Agriculture reported to the House on October 26, 1987, H. Rept. 100-396.

Hearings Held:

Food Bank Participation in the Temporary Emergency Food Assistance Program.
Subcommittee on Domestic Marketing, Consumer Relations, and Nutrition held a field hearing on May 29. 1987 in Sikeston, MO, (Hearing Serial #100-16).

Quality Control and Fiscal Sanctions in the Food Stamp Program.
Subcommittee on Domestic Marketing, Consumer Relations, and Nutrition held a joint hearing with the Subcommittee on Nutrition and Investigations of the Senate Committee on Agriculture on Oct. 22, 1987, (Hearing Serial #100-43).

Hunger Emergency in America.
Subcommittee on Domestic Marketing, Consumer Relations, and Nutrition of House Committee on Agriculture, and Domestic Task Force of Select Committee on Hunger held a joint hearing on February 24, 1988, (Hearing Serial #100-63).

101ST CONGRESS

Bills Enacted Into Public Laws:

Authorizing food stamp portion of the Minnesota Family Investment Plan. S. 1960 and H.R. 3744.

Subcommittee on Domestic Marketing, Consumer Relations, and Nutrition held a hearing on July 11, 1989, Minnesota Family Investment Plan (Hearing Serial #101-25).

S. 1960 passed the Senate and the House on Nov. 21, 1989. Dec. 6, 1989 signed into **P.L. 101-202.**.

Distribution of certain meat to charity and public agencies. H.R. 2134.

Committee on Agriculture reported to the House on Nov. 13, 1989, **(H.Rept. 101-348).**

Dec. 7, 1989 signed into **P.L. 101-205.**

National Nutrition Monitoring and Related Research Act. H.R. 1608.

Subcommittee on Domestic Marketing, Consumer Relations, and Nutrition held a joint hearing with the Subcommittee on Department Operations, Research and Foreign Agriculture and the Subcommittee on Science, Research, and Technology of the Committee on Science, Space and Technology on Sept. 21, 1989 (Nutrition Monitoring, **Hearing Serial #101-29).**

Committee on Agriculture reported to the House on Oct. 2, 1990, **H.Rept. 101-788.**

Oct. 22, 1990 signed into **P.L. 101-445).**

Food, Agriculture, Conservation, and Trade Act of 1990. S. 2830 and H.R. 3950.

Subcommittee on Domestic Marketing, Consumer Relations, and Nutrition held 8 hearings on the Formulation of the 1990 Farm Bill **(Hearing Serial #101-30 pt 3):**

(1) Sept. 8, 1989 (Atlanta, GA); Oct. 31, Nov. 1, 1989 (Houston, TX) on the Reauthorization of the Food Stamp Program;

(2) Nov. 15 & 16, 1989 (Houston, TX) on the Reauthorization of the Commodity Distribution Programs; and

(3) Dec. 1, 1989 (Houston, TX); Dec. 8, 1989, and Feb. 28, 1990 (Bronx, NY) on the Reauthorization of the Food Stamp Program and Commodity Distribution Programs.

Committee on Agriculture reported to the House H.R. 3950, **(H.Rept. 101-569 pt. 1)** on July 3, 1990, with Title XVII as the

Food Stamp and Related Provisions Title.
Conference Report to Accompany S. 2830 (H.Rept. 101-916) filed on October 22, 1990 with Title XVII as the Food Stamp and Related Provisions Title.
Nov. 28, 1990 signed into P.L. 101-624.

Hearings Held:

Review of U.S. International Review of U.S. International.
Committee on Agriculture and Committee on Foreign Affairs held a joint hearing on November 1, 1989. (Hearing Serial #101-32).

Issues Related to the Reauthorization of Food for Peace and Agricultural Export Promotion Programs.
Subcommittee on Department Operations, Research, and Foreign Agriculture of Committee on Agriculture and Subcommittee on International Economic Policy and Trade of Committee on Foreign Affairs held a joint hearing on March 21, 1990.

Review of the Use of Food Stamp in Farmer's Markets.
Subcommittee on Domestic Marketing, Consumer Relations, and Nutrition held a hearing on Oct. 25, 1989. (Hearing Serial #101-68).

Hunger in Rural America.
Subcommittee on Domestic Marketing, Consumer Relations, and Nutrition held a hearing on May 17, 1989. (Hearing Serial #101-15).

102ND CONGRESS

Bills Enacted Into Public Law:

Food, Agriculture, Conservation, and Trade Act Amendments of 1991. H.R. 3029.
Committee on Agriculture reported to the House on July 30, 1991, **H.Rept. 102-175.**
Dec. 13, 1991, signed into **P.L. 102-237.**

Exclusions from Food Stamp Income. S. 2324.
Passed the Senate on March 5, 1992.
Passed the House on March 11, 1992.
March 26, 1992, signed into **P.L. 102-265.**

WIC Farmers' Market Nutrition Act. H.R. 3711.
Committee on Agriculture reported to the House on June 4, 1992 **(H.Rept. 102-540 pt. 2).**
July 2, 1992, signed into **P.L. 102-314.**

Prevent Reduction in Adjusted Cost of Thrifty Food Plan. S. 3001.
Passed the Senate on July 28, 1992.
Passed the House on August 12, 1992.
Aug. 26, 1992 signed into **P.L. 102-351.**

Use of Foreign currency Proceeds. H.R. 4774.
Committee on Agriculture reported to the House on April 9, 1992. **(H.Rept. 102-496).**
May 20, 1992 signed into **P.L. 102-289.**

Bills Reported:

Mickey Leland Childhood Hunger Relief Act. H.R. 1202.
Committee on Agriculture reported to the House on Oct. 16, 1991, **(H.Rept. 102-396).**

Food for Emerging Democracies Act of 1991. H.R. 3556.
Committee on Agriculture reported to the House on November 27, 1991, **(H. Rept. 102-403, Part 1).**

Communities Making the Transition to Hunger-Free Status. H.Con.Res. 302.
Committee on Agriculture reported to the House on June 29, 1992. **(H. Rept. 102-616. pt. 1).**

Passed the House on July 28, 1992.
Passed the Senate on Oct. 5, 1992.

Hearings Held:

Effectiveness of U.S.D.A. in Meeting the Agricultural Needs of Emerging Democracies.
Committee on Agriculture held 2 hearing; September 24, 1991; September 26, 1991. **(Hearing Serial #102-37).**

Impact of the Farmers' Market Nutrition Act of 1991 on Farmers' Markets and the Marketing of Fresh Fruits and Vegetables.
Subcommittee on Domestic Marketing, Consumer Relations, and Nutrition held a hearing on May 13, 1992. **(Hearing Serial #102-81).**

Impact of Regulation E of the Electronic Funds Transfer Act of the Food Stamp Electronic Benefits Transfer Delivery Systems.
Subcommittee on Domestic Marketing, Consumer Relations, an Nutrition held a hearing on March 25, 1992. **(Hearing Serial #102-69).**

Food Stamp Trafficking and the Food Stamp Electronic Benefit Transfer Program.
Subcommittee on Domestic Marketing, Consumer Relations, and Nutrition held a joint hearing with the Subcommittee on Policy Research and Insurance of the Committee on Banking, Finance and Urban Affairs and the Subcommittee on Regulation, Business Opportunities of the Committee on Energy and Commerce on March 18, 1992. **(Hearing Serial #102-74).**

Hunger in America, Its Effects on Children and Families, and Implications for the Future.
Subcommittee on Domestic Marketing, Consumer Relations, and Nutrition held a hearing on May 8, 1991. **(Hearing Serial #102-13).**

Welfare Simplification.
Subcommittee on Domestic Marketing, Consumer Relations, and Nutrition held a hearing on June 23, 1992. **(Hearing Serial #102-84).**

EVA M. CLAYTON
1st District, North Carolina

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Congress of the United States
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OPENING STATEMENT FOR REP. EVA M. CLAYTON FULL COMMITTEE HEARING ON FOOD STAMPS 4/28/93

Thank you very much Mr. Chairman. I want to extend my gratitude to you and Congressman Stenholm for holding today's proceedings pertaining to the Food Stamp Program in such an expeditious fashion. I would also like to extend my appreciation to Secretary Espy for participating in this hearing. Recently, I have become familiar with the history of the proposed legislation, and I am excited that this Committee is responsible for the consideration of this bill.

The issue of hunger has recently come under a

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heightened amount of attention. The hunger fast of our esteemed colleague, Tony Hall, has served to cast additional light on this problem. Internationally we have witnessed the deaths of literally thousands of people in countries such as Somalia due to inadequate food supplies caused in part by warring clans. However, at the same time, we are confronted with a growing domestic hunger dilemma that reaches into the ranks of those who are most vulnerable: our children.

The nationwide Community Childhood Hunger Identification Project (CCHIP) released in 1991 reported that 5.5 million American children under age 12 are hungry. This means 1 out of every 12! Furthermore, an additional six million children find themselves in families that are "at-risk" of hunger because of recurring problems of food shortage. These figures are astonishing in light of the abundance that we find in American agriculture.

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Mr. Chairman, the Food Stamp Program is the only program in America that is available to everyone. This includes those groups who are most vulnerable to the problem of hunger such as the elderly and the young. One-half of the recipients of food stamp benefits are children, while 80 percent of the benefits in the program go to families with children. Furthermore, it is the only program that addresses hunger in a comprehensive manner. Put simply, it is the front-line of defense for preventing hunger in America.

There are those who may disparage the Program and the Mickey Leland Childhood Hunger Bill. In this regard, I say to the leadership of this Committee that I firmly stand behind you who support this bill and the hungry. We must not accept hunger as a standard in this country. The Mickey Leland Bill speaks to this problem by providing basic subsistence to those who are in desperate need.

Again, I welcome the participants to the proceedings and hope this hearing will be useful in casting light on the overall question of hunger in the United States.

Thank you.

CYNTHIA A. McKINNEY
11TH DISTRICT, GEORGIA

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Congress of the United States
House of Representatives
Washington, DC 20515-1011

April 28, 1993

Statement of Congresswoman Cynthia A. McKinney

Thank you Mr. Chairman for having this hearing. I am here today to address the crisis of hunger in this country, and legislation -- the Mickey Leland Childhood Hunger Relief Act -- that would help to end this crisis for millions of our children. I applaud the Clinton Administration for its leadership in developing legislation akin to the Leland Bill, the first bill of its kind to be supported by the Administration in sixteen years.

The bill focuses on getting food to poor, hungry children. In 1991, more than 35 million people in the United States lived in poverty, more than one of every 7 people in this country. USDA data show that families with children receive over 80% of food stamp benefits. Over 90% of the benefits would go to low-income children and their families. In my state of Georgia, food stamp participation rose nearly 15% in the last year alone. In January, 1993, over 800,000 people in Georgia had to rely on the Food Stamp Program. These figures do not reflect the many others who are forced to rely on food pantries and soup kitchens to provide food for themselves and their families.

In a statement issued March 26, 1993, Secretary Espy said an all-time high number of Americans received food stamps in January, proving the need to take steps to stimulate the economy. According to figures released on this same day March 26 by USDA, 26.83 million Americans received food stamps in January, a 213,000 increase from December 1992. These figures represent the highest-ever level of participation since the program originated in 1964.

While the Food Stamp Program is vital in providing millions of families with much needed food assistance, reforms are needed to strengthen the program, particularly for families with children. This legislation, the Mickey Leland Childhood Hunger Relief Act would make those changes. For instance, it would raise benefit levels which now provide an average of only $.75 per person per meal.

It would strengthen the child support system by removing an actual disincentive for absent parents to pay child support. The bill would exclude the first $50 a month received in child support from consideration as

income in determining food stamp allotments. It gives custodial parents an incentive to seek out absent parents and gives absent parents and incentive to pay child support. AFDC already allows households to keep the first $50 of child support paid each month. Excluding the first $50 of child support payments for food stamps as well as AFDC will also simplify the administration of the two programs and ease burdens on case workers.

This reform passed the House in 1987 as part of the Family Support Act and was supported so strongly by the Ways and Means Committee that it was one of the last provisions dropped when conferees has to reduce that bill's cost. It passed the House again as part of the 1990 and 1992 Leland bills.

The bill would index the current $4,500 limit on the fair market value of vehicles that food stamp recipients may own. This is particularly important to the rural areas of my district and many others in this country where people must often travel great distances to work. The current $4,500 vehicle limit was written into the Act in 1977 and has not changed since, despite substantial inflation. The President's Task Force on Food Assistance in 1984 recommended that this limit be increased to $5,500 immediately.

One of the centerpieces of the bill is a provision that would get more food to families with children that are on the brink of homelessness. It would give families with children the benefit of the same rules that apply to elderly and disabled people whose housing costs consume an extremely high portion of their incomes. These rules are designed to ensure that those paying more than half of their income for housing can both pay their rent and utilities and obtain a minimally adequate diet throughout the month.

This legislation is not only vitally important, it is a responsible investment. Funding for it was designated in this year's budget resolution, which specifically mentioned the Leland bill. I am eager to see this important legislation successfully marked up in this subcommittee so that it can proceed on its way toward enactment.

Thank you Mr. Chairman.

Opening Statement of the Honorable Tom Lewis of Florida
House Agriculture Committee - April 28, 1993

Mr. Chairman, while the intention of reducing hunger in America is certainly admirable; we cannot overlook the many problems which exist with the administration of the food stamp program. This is especially evident in my home state of Florida.

Last year alone, ineligible payments and overpayment of food stamps cost the federal government more than $172 million in Florida. The State's error rate soared to an astronomical 18.5%. These numbers suggest to me that the State of Florida is wasting too much money administering their program, rather than feeding those in need.

Later today, I will be meeting with Florida's Lieutenant Governor Buddy McKay, and I fully intend to discuss these problems with him and get an assessment on what the state is planning to do to rectify the problems with the food stamp program in Florida

.

Let me give the Committee an illustration of the administrative nightmare I am talking about. After a gathering of over 2,000 people in the Ocala National Forest, a smaller group of about 100 "Rainbow People" stopped by the Health and Rehabilitative Services office in Tavares, Florida, and walked away with about $6,000 in food stamps. Due to an expedited procedure, all these individuals had to do was provide some form of identification and state that they were homeless. These two actions alone enabled them to then walked out of the office with a handful of food stamps.

This kind of problem is magnified by reports that David Koresch was stockpiling his Waco cult compound with provisions purchased by his wives using food stamps. If this is true, how could they afford to buy enough sophisticated weaponry to hold off the Bureau of Alcohol, Tobacco, and Firearms, but still qualify for federal food assistance.

I find it extremely distressing that children in America are going hungry but the "Rainbow people" and David Koresch can easily receive food stamp benefits. Mr. Chairman, the Administration's proposal to increase funding of the food stamp program by $7.3 billion over the next four years has a commendable goal, to reduce hunger. Tragically, given current program inefficiencies much of this money will go to waste because states do not properly administer their food stamp programs.

I believe the American people fully support programs to end hunger in this nation. However, they cannot support fraud and mismanagement. I look forward to hearing from Secretary Espy regarding the problems facing the administration of the food stamp program.

Thank you Mr. Chairman.

CHARLES T. CANADY
12TH DISTRICT, FLORIDA

COMMITTEE ON AGRICULTURE
DEPARTMENT OPERATIONS AND NUTRITION
FOREIGN AGRICULTURE AND HUNGER

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STATEMENT OF THE HONORABLE CHARLES T. CANADY
of Florida
before the
HOUSE AGRICULTURE COMMITTEE
April 28, 1993

Thank you Mr. Chairman. Mr. Secretary, I want to join my fellow colleagues in thanking you for appearing before us today to discuss the Administration's proposal regarding the Mickey Leland Childhood Hunger Relief Act (H.R. 529).

Mr. Secretary, a particular area I would bring to your attention today is the automation of our state's welfare program distribution systems. As you may be aware, Florida has recently experienced severe and costly problems with its attempt to automate the distribution of Food Stamps, AFDC and Medicaid. The state spent $108 million to develop a computer that is **supposed** to improve the services provided to Florida's needy and elderly. Of that $108 million, over 75% of the planning, design and installation money for the system was provided by the federal government.

Unfortunately, during its first year of operation, the computer lost roughly $260 million dollars because of errors and mismanagement in program distribution.

A General Accounting Office report released in May of 1992 stated that ineffective oversight of the development and installation of automated systems such as the one in Florida "has allowed millions of dollars to be spent on systems that either do not work or do not meet requirements." "Further, HHS and USDA each spend time and money independently reviewing state systems rather than coordinating their reviews, even though most states are developing or operating systems that include all three federal programs."

According to GAO, examples of this waste and ineffective oversight are "three states spent almost $30 million in federal funds before canceling projects because of development problems. In another case, a state has been unable to implement its $51 million system because it did not incorporate important user requirements into its system design."

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With more states moving toward the automation of systems covering Food Stamps and other welfare programs, I am deeply concerned that USDA and HHS are not providing the proper oversight to ensure new systems accomplish their stated goals and that any lessons learned by states previously working towards automation will be passed on to states currently attempting to improve their systems.

Mr. Secretary, on April 6th of this year, I sent you a letter encouraging the USDA and the HHS to coordinate their investigations of alleged mismanagement and abuse of funds by Florida's Health and Rehabilitative Services. I look forward to your response to this inquiry because I believe that this is basic, essential good government policy that will save the American taxpayer millions of dollars. Whenever two federal agencies provide funds to a single state agency for distribution, the two agencies must coordinate their operations and oversight to guarantee that there are no overlapping services or costs.

When two government departments, such as USDA and HHS, spend the money that is encompassed by these three programs -- in FY 1990, AFDC benefits were $10.1 billion, Medicaid Benefits were $68.7 billion and Food Stamp benefits were over $14 billion -- proper coordination and oversight of these moneys must be guaranteed to ensure that federal dollars are not wasted.

I would encourage you to review the May 1992 GAO report and work for the implementation of its recommendations.

103D CONGRESS
1ST SESSION

H. R. 529

To amend the Food Stamp Act of 1977 to respond to the hunger emergency afflicting American families and children, to attack the causes of hunger among all Americans, to ensure an adequate diet for low-income people who are homeless or at risk of homelessness because of the shortage of affordable housing, to promote self-sufficiency among food stamp recipients, to assist families affected by adverse economic conditions, to simplify food assistance programs' administration, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

JANUARY 21, 1993

Mr. PANETTA (for himself, Mr. EMERSON, Mr. DE LA GARZA, and Mr. HALL of Ohio) introduced the following bill; which was referred to the Committee on Agriculture

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A BILL

To amend the Food Stamp Act of 1977 to respond to the hunger emergency afflicting American families and children, to attack the causes of hunger among all Americans, to ensure an adequate diet for low-income people who are homeless or at risk of homelessness because of the shortage of affordable housing, to promote self-sufficiency among food stamp recipients, to assist families affected by adverse economic conditions, to simplify food assistance programs' administration, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE AND TABLE OF CONTENTS.

(a) SHORT TITLE.—This Act may be cited as the "Mickey Leland Childhood Hunger Relief Act".

(b) TABLE OF CONTENTS.—The table of contents is as follows:

Sec. 1. Short title and table of contents.
Sec. 2. References to Act.

TITLE I—ENSURING ADEQUATE FOOD ASSISTANCE

Sec. 101. Families with high shelter expenses.
Sec. 102. Basic benefit level.
Sec. 103. Continuing benefits to eligible households.
Sec. 104. Homeless families in transitional housing.
Sec. 105. Improving the nutritional status of children in Puerto Rico.
Sec. 106. Households benefiting from general assistance vendor payments.
Sec. 107. Helping low-income high school students.

TITLE II—PROMOTING SELF-SUFFICIENCY

Sec. 201. Child support disregard.
Sec. 202. Child support payments to non-household members.
Sec. 203. Vehicles needed to seek and continue employment and for household transportation.
Sec. 204. Vehicles necessary to carry fuel or water.
Sec. 205. Improving access to employment and training activities.

TITLE III—SIMPLIFYING THE PROVISION OF FOOD ASSISTANCE

Sec. 301. Simplifying the household definition for households with children and others.
Sec. 302. Resources of households with disabled members.
Sec. 303. Assuring adequate funding for the food stamp program.

TITLE IV—COMMODITY DISTRIBUTION TO NEEDY FAMILIES

Sec. 401. Commodity purchases.

TITLE V—IMPLEMENTATION AND EFFECTIVE DATES

Sec. 501. Effective dates.
Sec. 502. Budget neutrality requirement.

SEC. 2. REFERENCES TO ACTS.

Except as otherwise specifically provided herein, references to "the Act" and sections thereof shall be deemed to be references to the Food Stamp Act of 1977 (7 U.S.C. 2011 et seq.) and the sections thereof.

TITLE I—ENSURING ADEQUATE FOOD ASSISTANCE

SEC. 101. FAMILIES WITH HIGH SHELTER EXPENSES.

(a) REMOVAL OF CAP.—(1) The fourth sentence of section 5(e) of the Food Stamp Act of 1977 (hereinafter referred to as "the Act") (7 U.S.C. 2014(e)) is amended by striking ": *Provided,* That the amount" and all that follows through "June 30".

(2) The fifth sentence of section 5(e) of the Act (7 U.S.C. 2014(e)) is amended by striking "under clause (2) of the preceding sentence".

(b) TRANSITIONAL CAP.—(1) Effective on the date of enactment of this Act, section 5(e) of the Act is amended by inserting after the fourth sentence the following: "In the 12-month period ending September 30, 1994, such excess shelter expense deduction shall not exceed $230 a month in the forty-eight contiguous States and the District of Columbia, and shall not exceed, in Alaska, Hawaii, Guam, and the Virgin Islands of the United States, $400, $328, $279, and $170 a month, respectively; in the 12-month period ending September 30, 1995, shall not exceed

$260 a month in the forty-eight contiguous States and the District of Columbia, and shall not exceed, in Alaska, Hawaii, Guam, and the Virgin Islands of the United States, $452, $371, $315, and $192 a month, respectively; in the 12-month period ending September 30, 1996, shall not exceed $300 a month in the forty-eight contiguous States and the District of Columbia, and shall not exceed, in Alaska, Hawaii, Guam, and the Virgin Islands of the United States, $521, $420, $364, and $221 a month, respectively; and in the 12-month period ending September 30, 1997, shall not exceed $360 a month in the forty-eight contiguous States and the District of Columbia, and shall not exceed, in Alaska, Hawaii, Guam, and the Virgin Islands of the United States, $626, $514, $437, and $266 a month, respectively.".

(2) Effective October 1, 1997, section 5(e) of the Act (7 U.S.C. 2014(e)) is amended by striking the fifth sentence.

SEC. 102. BASIC BENEFIT LEVEL.

Section 3(o) of the Act (7 U.S.C. 2012(o)) is amended by striking "(4) through" and all that follows through the end of the subsection, and inserting the following: "(4) on October 1, 1993, adjust the cost of such diet to reflect 103⅓ percent of the cost of thrifty food plan in the preceding June (without regard to adjustments made under

clauses (9), (10), and (11) of this subsection as in effect before the date of the enactment of the Mickey Leland Childhood Hunger Relief Act), as determined by the Secretary, and round the result to the nearest lower dollar increment for each household size, (5) on October 1, 1994, adjust the cost of such diet to reflect 103⅔ percent of the cost of the thrifty food plan in the preceding June (without regard to adjustments made under such clauses (9), (10), and (11) and under clause (4)), as determined by the Secretary, and round the result to the nearest lower dollar increment for each household size, (6) on October 1, 1995, adjust the cost of such diet to reflect 104 percent of the cost of the thrifty food plan in the preceding June (without regard to adjustments made under such clauses (9), (10), and (11) and under clauses (4) and (5)), as determined by the Secretary, and round the result to the lowest dollar increment for each household size, (7) on October 1, 1996, adjust the cost of such diet to reflect 104⅓ percent of the cost of the thrifty food plan in the preceding June (without regard to adjustments made under such clauses (9), (10), and (11) and under clauses (4), (5), and (6)), as determined by the Secretary, and round the result to the nearest lower dollar increment for each household size, (8) on October 1, 1997, adjust the cost of such diet to reflect 104⅔ percent of the cost of the thrifty food plan

in the preceding June (without regard to adjustments made under such clauses (9), (10), and (11) and under clauses (4), (5), (6), and (7)), as determined by the Secretary, and round the result to the nearest lower dollar increment for each household size, and (9) on October 1, 1998, and on every October 1 thereafter, adjust the cost of such diet to reflect 105 percent of the cost of the thrifty food plan in the preceding June (without regard to previous adjustments made under such clauses (9), (10), and (11), under clauses (4), (5), (6), (7), and (8), and under this clause), as determined by the Secretary, and round the result to the nearest lower dollar increment for each household size.".

SEC. 103. CONTINUING BENEFITS TO ELIGIBLE HOUSEHOLDS.

Section 8(c)(2)(B) of the Act (7 U.S.C. 2017(c)(2)(B)) is amended by inserting "of more than one month in" after "following any period".

SEC. 104. HOMELESS FAMILIES IN TRANSITIONAL HOUSING.

Section 5(k)(2)(F) of the Act (7 U.S.C. 2014(k)(2)(F)) is amended to read as follows:

"(F) housing assistance payments made to a third party on behalf of a household residing in transitional housing for the homeless;".

SEC. 105. IMPROVING THE NUTRITIONAL STATUS OF CHILDREN IN PUERTO RICO.

Section 19(a)(1)(A) of the Act (7 U.S.C. 2028(a)(1)(A)) is amended:

(1) by striking "$1,091,000,000" and inserting "$1,111,000,000"; and

(2) by striking "$1,133,000,000" and inserting "$1,158,000,000".

SEC. 106. HOUSEHOLDS BENEFITING FROM GENERAL ASSISTANCE VENDOR PAYMENTS.

Section 5(k)(1)(B) of the Act (7 U.S.C. 2014(k)(1)(B)) is amended to read as follows:

"(B) a benefit payable to the household for housing expenses, not including energy or utility-cost assistance, under—

"(i) a State or local general assistance program; or

"(ii) another basic assistance program comparable to general assistance (as determined by the Secretary).".

SEC. 107. HELPING LOW-INCOME HIGH SCHOOL STUDENTS.

Section 5(d)(7) is amended by striking ", who is a student, and who has not attained his eighteenth birthday" and inserting "and who is an elementary or secondary student".

TITLE II—PROMOTING SELF-SUFFICIENCY

SEC. 201. CHILD SUPPORT DISREGARD.

Section 5 of the Act (7 U.S.C. 2014) is amended—

(1) in clause (13) of subsection (d)—

(A) by striking "at the option" and all that follows through "subsection (m)," and inserting "(A)"; and

(B) by adding at the end the following: "and (B) the first $50 of any child support payments for each month received in that month, and the first $50 of child support of each month received in that month if such payments were made by the absent parent in the month when due,"; and

(2) by striking subsection (m).

SEC. 202. CHILD SUPPORT PAYMENTS TO NON-HOUSEHOLD MEMBERS.

Section 5(d)(6) of the Act (7 U.S.C. 2014(d)(6)) is amended by striking the comma at the end and inserting the following: ": *Provided,* That child support payments made by a household member to or for a person who is not a member of the household shall be excluded from the income of the household of the person making such payments if such household member was legally obligated to make such payments,".

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SEC. 203. VEHICLES NEEDED TO SEEK AND CONTINUE EMPLOYMENT AND FOR HOUSEHOLD TRANSPORTATION.

Section 5(g)(2) of the Act (7 U.S.C. 2014(g)(2)) is amended by striking $4,500" and inserting the following: "a level set by the Secretary, which shall be $4,500 through September 30, 1993, and which shall be adjusted from $4,500 on October 1, 1993, and on each October 1 thereafter, to reflect changes in the Consumer Price Index for All Urban Consumers published by the Bureau of Labor Statistics, for new cars, for the 12-month period ending the preceding June 30, and rounded to the nearest $50".

SEC. 204. VEHICLES NECESSARY TO CARRY FUEL OR WATER.

Section 5(g)(2) of the Act (7 U.S.C. 2014(g)(2)) is amended by adding at the end the following: "The Secretary shall exclude from financial resources the value of a vehicle that a household depends upon to carry fuel for heating or water for home use when such transported fuel or water is the primary source of fuel or water for the household.".

SEC. 205. IMPROVING ACCESS TO EMPLOYMENT AND TRAINING ACTIVITIES.

(a) DEPENDENT CARE DEDUCTION.—Section 5(e) of the Act (7 U.S.C. 2014(e)) is amended in clause (1) of the fourth sentence—

(1) by striking "$160 a month for each dependent" and inserting "$200 a month for a dependent child under age 2 and $175 a month for any other dependent"; and

(2) by striking ", regardless of the dependent's age,".

(b) REIMBURSEMENTS TO PARTICIPANTS.—(1) Section 6(d)(4)(I)(i)(I) of the Act (7 U.S.C. 2015(d)(4)(I)(i)(I)) is amended by striking "$25" and inserting "$75".

(2) Subclause (II) of section 6(d)(4)(I)(i) of the Act (7 U.S.C. 2015(d)(4)(I)(i)(II)) is amended by striking "reimbursements exceed $160" and all that follows through the end of such subclause, and inserting "reimbursements exceed the applicable local market rate as determined by procedures consistent with any such determination under the Social Security Act. Individuals subject to the program under this paragraph may not be required to participate if dependent care costs exceed the limit established by the State agency under this paragraph

(which limit shall not be less than the limit for the dependent care deduction under section 5(e)).".

(e) REIMBURSEMENTS TO STATE AGENCIES.—Section 16(h)(3) of the Act (7 U.S.C. 2025(h)(3)) is amended—

(1) by striking "$25" and all that follows through "dependent care costs)" and inserting "the payment made under section 6(d)(4)(I)(i)(I) but not more than $75 per participant per month"; and

(2) by striking "representing $160 per month per dependent" and inserting "equal to the payment made under section 6(d)(4)(I)(i)(II) but not more than the applicable local market rate".

TITLE III—SIMPLIFYING THE PROVISION OF FOOD ASSISTANCE

SEC. 301. SIMPLIFYING THE HOUSEHOLD DEFINITION FOR HOUSEHOLDS WITH CHILDREN AND OTHERS.

The first sentence of section 3(i) of the Act (7 U.S.C. 2012(i)) is amended—

(1) by striking "(2)" and inserting "or (2)";

(2) by striking ", or (3) a parent of minor children and that parent's children" and all that follows through "parents and children, or siblings," and inserting ". Parents and their minor children who live together and spouses"; and

(3) by striking ", unless one of" and all that follows through "disabled member".

SEC. 302. RESOURCES OF HOUSEHOLDS WITH DISABLED MEMBERS.

Section 5(g)(1) of the Act (7 U.S.C. 2014(g)(1)) is amended by striking "a member who is 60 years of age or older," and inserting "an elderly or disabled member,".

SEC. 303. ASSURING ADEQUATE FUNDING FOR THE FOOD STAMP PROGRAM.

Section 18 of the Act (7 U.S.C. 2027) is amended by striking subsections (b), (c), and (d) and redesignating subsections (e) and (f) as subsections (b) and (c), respectively.

TITLE IV—COMMODITY DISTRIBUTION TO NEEDY FAMILIES.

SEC. 401—COMMODITY PURCHASES.

Section 214(e) of the Emergency Food Assistance Act of 1983 (7 U.S.C. 612c note) is amended—

(1) by striking "$175,000,000" and all that follows through "1992, and";

(2) by inserting after the first sentence the following:

"During fiscal year 1994, the Secretary shall spend $220,000,000 to purchase, process, and distribute additional commodities under this section."; and

(3) in the last sentence by striking "1991 through" and inserting "1993 and".

TITLE V—IMPLEMENTATION AND EFFECTIVE DATES

SEC. 501. EFFECTIVE DATES.

(a) GENERAL EFFECTIVE DATE.—Except as otherwise provided in this Act, the provisions of this Act shall become effective and be implemented on October 1, 1993.

(b) SPECIAL EFFECTIVE DATE.—Sections 103, 106, 201, 202, 204, 205, 301, and 302 of this Act shall become effective and be implemented on July 1, 1994.

SEC. 502. BUDGET NEUTRALITY REQUIREMENT.

None of the provisions of this Act shall become effective unless the costs are fully offset in each fiscal year through fiscal year 1998. No agriculture price or income support program administered through the Commodity Credit Corporation under the Agricultural Act of 1949 may be reduced to achieve such offset.

H.R. 529, as introduced

Section-by-Section Analysis

H.R. 529, the Mickey Leland Childhood Hunger Relief Act, is virtually identical to H.R. 1202, a bill reported by the Committee on Agriculture in the 102nd Congress that was later incorporated into the Family Preservation Act and passed by the House. Most of the provisions of H.R. 1202 originated in the Mickey Leland Memorial Domestic Hunger Relief Act of 1990 as that bill was reported by the Committee on Agriculture and passed by the House as title XVII, Food Stamp and Related Provisions, of H.R. 3950, the Food and Agricultural Resources Act of 1990 (Public Law 101-624; the 1990 Farm Bill).

Section 1--Short title and table of contents

Section 1 provides that the bill may be cited as the "Mickey Leland Childhood Hunger Relief Act", and sets out the table of contents of the bill.

Section 2--References to Act

Section 2 provides that references in the bill to "the Act" are references to the Food Stamp Act of 1977.

TITLE I--ENSURING ADEQUATE FOOD ASSISTANCE

Section 101--Families with high shelter expenses

Section 101 amends section 5(e) of the Act to provide that households without elderly or disabled members, for purposes of determining Food Stamp Program eligibility and benefit levels, may deduct from income high shelter costs in the same way that elderly and disabled households do at present. Under current law, households may deduct shelter expenses that exceed 50% of their incomes, but this deduction is capped, currently at $200 a month in the 48 contiguous States, for households that do not contain elderly or disabled members.

Section 101(a) removes the cap for such households effective October 1, 1997 and makes a conforming change to section 5(e) of the Act. Section 101(b) establishes increased shelter deduction caps for the interim period.

Section 102--Basic benefit level

Section 102 amends the definition of "thrifty food plan" in section 3 of the Act to raise basic food stamp benefits. The thrifty food plan is the cost of the diet required to feed a family of four adjusted by household size. The cost of such diet is the basis of the food stamp allotments for households. These allotment levels are adjusted every October to reflect food costs under the

thrifty food plan for the year ending the previous June.

Food stamp benefits are currently set at 103% of the cost of the thrifty food plan. Under section 102, food stamp benefits will rise in increments on an annual basis until they reach 105% of the thrifty food plan by fiscal year 1999.

Section 103--Continuing benefits to eligible households

Section 103 amends the definition of "initial month" in section 8 of the Act to mean the first month for which an allotment is issued to a household following any period of more than one month in which the household was not participating in the Food Stamp Program, after previous participation in the program.

The effect of this provision is that eligible households reapplying during the first month following the end of their prior certification period will receive full benefits, rather than pro-rated benefits as required by current law, for that month. This rule currently applies to migrant and seasonal farmworkers.

Section 104--Homeless families in transitional housing

Section 104 amends section 5 of the Act to exclude from income, for purposes of determining Food Stamp Program eligibility and allotment levels, the **full amount** of vendor payments (payments made to third parties) for transitional housing for homeless households.

The Food Stamp Act generally excludes vendor payments from calculations of food stamp income. However, in those states that have shelter allowance components within their payments to families under the Aid To Families with Dependent Children (AFDC) program, current law excludes that portion of the vendor payments for transitional housing for the homeless only up to an amount equal to half of the AFDC maximum shelter allowance. The amount of a vendor payment that exceeds the AFDC maximum shelter allowance is also excluded. The majority of states have no separate AFDC shelter allowance, and therefore the entire vendor payment is excluded for the purposes of the Food Stamp Program under the general rule to exclude vendor payments. This section would treat vendor payments for transitional housing the same in all states by excluding the entire vendor payment from income for purposes of determining Food Stamp Program eligibility and allotment levels.

Section 105--Improving the nutritional status of children in Puerto Rico

Section 105 amends section 19 of the Act to increase funding for the Nutrition Assistance Program (NAP) in Puerto Rico. In 1981, the Food Stamp Act was amended to replace the Food Stamp Program in Puerto Rico with a block grant, the Nutrition Assistance Program. For 1994, the block grant funding for NAP funding is increased from $1.091 billion to $1.111 billion; and for 1995 it is increased from $1.133 billion to $1.158 billion.

Section 106--Households benefiting from general assistance vendor payments

Section 106 amends section 5 of the Act to include only general assistance (GA) vendor payments provided for housing expenses, but excluding energy or utility-cost assistance, as income for determining food stamp eligibility and benefit levels.

Under current law, GA vendor payments are excluded from consideration as income if they are made under state laws that prohibit making direct GA payments to households. In other states, they are counted as income if they are made for normal living expenses.

The 1990 Farm Bill established the current exclusion from income for those GA vendor payments made under state laws prohibiting direct GA payments to households.

Section 107--Helping low-income high school students

Section 107 amends section 5 of the Act to exclude the income of high school students for the purpose of calculating eligibility and benefit levels for the Food Stamp Program. Current law excludes the income of high school students only up to their eighteenth birthday.

TITLE II--PROMOTING SELF-SUFFICIENCY

Section 201--Child support disregard

Section 201 amends section 5 of the Act to exclude from consideration as household income in determining Food Stamp Program eligibility and allotment levels the first $50 a month received for child support, including those payments made on time but received in a later month. Under current law, the State agency has the option to exclude the first $50 in child support payments received by households participating in the AFDC program, but must reimburse to the Federal government, from state funds, the value of increased food stamp benefits.

Section 202--Child support payments to non-household members

Section 202 amends section 5 of the Act to exclude from consideration as income for purposes of determining Food Stamp Program eligibility and allotment levels any child support payments a household member makes to support a child outside of the household, if the payments are a legal obligation. Current law provides no such exclusion.

Section 203--Vehicles needed to seek and continue employment and for household transportation

Section 203 amends section 5 of the Act to require the annual indexing of the current asset threshold for the fair market value of vehicles owned by

households. Current law imposes the eligibility requirement, generally, that households not have assets above $2,000 if they do not contain an elderly member, or $3,000 if they do contain an elderly member. The amount of the fair market value of each household vehicle (other than those that are totally disregarded) that **exceeds** $4,500 is calculated toward the asset limit. Section 203 requires that the $4,500 threshold be adjusted, beginning on October 1, 1993, and on each October 1 thereafter, to reflect changes in the Consumer Price Index for all urban consumers published by the Bureau of Labor Statistics, for new cars, rounded to the nearest $50.

Section 204--Vehicles necessary to carry fuel or water

Section 204 amends section 5 of the Act to exclude from financial resources, for purposes of determining Food Stamp Program eligibility, a vehicle that is used by a household to transport fuel for heating or water when that fuel or water is the primary source for the household. Current law provides no such exclusion.

Section 205--Improving access to employment and training activities

Section 205(a) amends section 5 of the Act to raise the current dependent care deduction, allowed in computing household income for purposes of determining program eligibility and benefit levels, from $160 a month for each dependent to $200 a month for children under age 2 and $175 a month for other dependents. Current law permits a dependent care deduction when dependent care enables a household member to work or look for work, or engage in education or training in preparation for employment.

Section 205(b) amends section 6 of the Act to raise the limit on reimbursements to recipients participating in employment and training (E&T) programs for costs related to E&T activities. Current law limits dependent care reimbursements to $160 per dependent per month and other reimbursements to $25 per month per person and requires states to exempt from participation in E&T activities those households whose costs would exceed the reimbursement. Section 205 raises dependent care reimbursements to the applicable local market rate as determined using procedures consistent with those used for AFDC E&T programs. Section 205 exempts from participation in E&T activities individuals whose dependent care costs exceed the dependent care deduction. Section 205 also raises the limit for reimbursements for other work-related costs to $75 a month.

Section 205(c) makes a conforming change to the Act in section 16 to raise the amounts of E&T dependent care and other work-related reimbursements made by State agencies to recipients for which State agencies will be reimbursed (at the normal fifty percent rate) by USDA, consistent with the increase in such reimbursements to recipients.

TITLE III--SIMPLIFYING THE PROVISION OF FOOD ASSISTANCE

Section 301--Simplifying the household definition for households with children and others

Section 301 amends section 3 of the Act to delete a provision that requires siblings living together and parents living with adult children to be considered as one household even if they do not purchase and prepare meals together.

Section 301 amends the definition of "household" in section 3 of the Act to include (1) an individual who lives alone, (2) an individual who lives with others but customarily purchases food and prepares meals separate and apart from the others, and (3) a group of individuals who live together and customarily purchase food and prepare meals together. Parents and their minor children who live together and spouses who live together would continue to be treated as a group of individuals who customarily purchase and prepare meals together even if they do not do so.

Section 302--Resources of households with disabled members

Section 302 amends section 5 of the Act to increase the resource limit for determining Food Stamp Program eligibility from $2,000 to $3,000 for any household containing a disabled member.

Under current law, most households have a resource limit of $2,000, while those containing at least one elderly member have a $3,000 limit. This amendment extends to households containing a disabled member the $3,000 limit available now for households with an elderly member.

Section 303--Assuring adequate funding for the Food Stamp Program

Section 303 amends section 18 of the Act to delete from the Act provisions that authorize the reduction of benefits to households and notification to States if the Secretary of Agriculture determines that Food Stamp Program funding is insufficient.

TITLE IV--COMMODITY DISTRIBUTION TO NEEDY FAMILIES

Section 401--Commodity purchases

Section 401 amends section 214 of the Emergency Food Assistance Act of 1983 to require that the Secretary spend $220,000,000 in fiscal year 1994 to purchase, process, and distribute additional commodities. These commodities are to be in addition to those commodities from Commodity Credit Corporation stocks distributed under the authority of the Emergency Food Assistance Act of 1983.

Current law, which would not be changed by this provision, authorizes to be appropriated $220,000,000 for each of the fiscal years 1993 through 1995.

TITLE V--IMPLEMENTATION AND EFFECTIVE DATES

Section 501--Effective dates

Section 501 provides that sections 103, 106, 201, 202, 204, 205, 301, and 302 will become effective and be implemented on July 1, 1994. Other provisions of the bill will become effective and must be implemented on October 1, 1993.

Section 502--Requirement for budget neutrality

Section 502 provides that none of the provisions of the bill shall become effective unless the costs of the bill are fully offset in each fiscal year through fiscal year 1998. The offset may not be achieved by reduction of any agriculture price or income support program.

The CHAIRMAN. I now yield to my distinguished friend, the ranking minority member from Kansas.

OPENING STATEMENT OF HON. PAT ROBERTS, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF KANSAS

Mr. ROBERTS. Thank you, Mr. Chairman, and I also wish to welcome the Secretary to our hearing.

The subject of our hearing, domestic and overseas food assistance programs, is extremely important. A review of the budget of the Department of Agriculture certainly demonstrates that fact. The 1994 budget for the USDA, as submitted by the President, totaled $63 billion. Of that amount, $38 billion is proposed to be spent on domestic food and nutrition programs. That represents more than 55 percent of the 1994 USDA budget.

The administration did submit its proposals for changes to the food stamp program as of yesterday. In that package, the President has proposed to increase spending on the food stamp program by $563 million in 1994 and $6.955 billion over a 5-year period. These proposals include removing the ceiling on the excess shelter deduction, which will cost $2.5 billion over 5 years, over one-third of the new spending, resulting in additional food stamp benefits to only 15 percent of the families that are receiving food stamps. Another change increases the value of a car that food stamp families may own and then increases that amount each year to reflect the changes in the Consumer Price Index for new cars.

Now, I'm raising this issue because one of the themes of the President and a bipartisan goal of this Congress was to end reform welfare as we know it. These proposals, as far as I can see, do not end welfare as we know it. That is a very, very difficult goal. But it seems to me that what is missing in this package is a significant proposal to accomplish this goal or, to put it in another way, to better target assistance to the truly disadvantaged and to assist those who are able to gain real jobs and employment.

In fact, the changes to the food stamp employment and training program included in the President's bill cost $20 million over 5 years, or less than three-tenths of 1 percent of the entire 5-year cost of the bill. If we are to increase spending in this program $7 billion, surely we can allocate more than three-tenths of 1 percent to employment and training, and I look forward to working with the Secretary to see if we can't get funding increased for employment and training.

Mr. Chairman, I'd like to include in the record a chart that does illustrate the increases in expenditures—you can't measure progress entirely by expenditures, but in terms of commitment, I think that you can at least see that it is a good indicator—expenditures of the food stamp program since 1979. In that year the Federal cost of the food stamp program was $7 billion. Ten years later, in 1989, the Federal cost of the program had doubled to $14 billion. In 1993, 4 years later, the Federal cost of the food stamp program has almost doubled again to $25 billion.

Over the past several years, as you have indicated, this committee has had the food stamp program under almost constant review. Since 1981 legislation affecting the food stamp program has been enacted every year, sometimes more than once a year, with the ex-

ception of 1986. The emergency food assistance program, or TEFAP, and the commodity distribution programs also have been under review by this committee. In fact, TEFAP was actually initiated by this committee.

So this committee, under the leadership of Chairman de la Garza and Mr. Panetta and my good friend, Mr. Emerson, who has done yeoman work in this field, has addressed this issue with full and complete responsibility as well as the broader issue of making sure that needy families and all Americans can buy food at a reasonable cost.

I yield back, Mr. Chairman, and I ask permission that this table be inserted in the record at this point.

[The prepared statement of Mr. Roberts follows:]

STATEMENT OF THE HONORABLE PAT ROBERTS

COMMITTEE ON AGRICULTURE

REVIEW OF DOMESTIC AND OVERSEAS
FOOD ASSISTANCE PROGRAMS

APRIL 28, 1993

THANK YOU MR. CHAIRMAN. I WISH TO WELCOME THE SECRETARY OF AGRICULTURE TO OUR HEARING. THE SUBJECT OF OUR HEARING, DOMESTIC AND OVERSEAS FOOD ASSISTANCE PROGRAMS, IS VERY IMPORTANT. A REVIEW OF THE BUDGET OF THE DEPARTMENT OF AGRICULTURE DEMONSTRATES THAT FACT.

THE 1994 BUDGET FOR USDA AS SUBMITTED BY PRESIDENT CLINTON TOTALS $63 BILLION. OF THAT AMOUNT $38 BILLION IS PROPOSED TO BE SPENT ON DOMESTIC FOOD AND NUTRITION PROGRAMS---REPRESENTING MORE THAN 55% OF THE 1994 BUDGET.

THE ADMINISTRATION SUBMITTED ITS PROPOSALS FOR CHANGES TO THE FOOD STAMP PROGRAM YESTERDAY. IN THAT PACKAGE THE PRESIDENT PROPOSES TO INCREASE SPENDING ON THE FOOD STAMP PROGRAM BY $563 MILLION IN 1994 AND BY $6.955 BILLION OVER A FIVE

YEAR PERIOD. THE PROPOSALS INCLUDE REMOVING THE CEILING ON THE EXCESS SHELTER DEDUCTION WHICH WILL COST $2.5 BILLION OVER FIVE YEARS (OVER ONE-THIRD OF THE NEW SPENDING) RESULTING IN ADDITIONAL FOOD STAMP BENEFITS TO ONLY 15% OF THE FAMILIES RECEIVING FOOD STAMPS. ANOTHER CHANGE INCREASES THE VALUE OF A CAR FOOD STAMP FAMILIES MAY OWN AND THEN INCREASES THAT AMOUNT EACH YEAR TO REFLECT THE CHANGES IN THE CONSUMER PRICE INDEX FOR NEW CARS.

I AM RAISING THIS ISSUE BECAUSE ONE OF THE THEMES OF PRESIDENT CLINTON'S CAMPAIGN AND A BI-PARTISAN GOAL OF THIS CONGRESS WAS TO END AND REFORM WELFARE AS WE KNOW IT. THESE PROPOSALS DO NOT END WELFARE AS WE KNOW IT; RATHER, THEY CONTINUE THE SAME WELFARE PROGRAMS. THE PRESIDENT SAID HE WANTED TO REQUIRE THOSE WHO CAN WORK, TO GO TO WORK. WHAT IS MISSING IN THIS PACKAGE IS A SIGNIFICANT PROPOSAL TO ACCOMPLISH THIS GOAL, OR PUT ANOTHER WAY, TO BETTER TARGET ASSISTANCE TO THE TRULY DISADVANTAGED AND TO ASSIST THOSE WHO ARE ABLE, TO GAINFUL EMPLOYMENT. IN FACT, THE CHANGES TO THE FOOD STAMP EMPLOYMENT AND TRAINING PROGRAM INCLUDED IN THE PRESIDENT'S BILL COST $20 MILLON OVER FIVE YEARS---OR LESS THAN .3%---THREE TENTHS OF ONE PERCENT OF THE ENTIRE FIVE YEAR COST OF THE BILL. IF WE ARE TO INCREASE SPENDING IN THIS

PROGRAM $7 BILLION, SURELY WE CAN ALLOCATE MORE THAN .3% TO EMPLOYMENT AND TRAINING.

WE MUST BUILD WORK INCENTIVES INTO THE FOOD STAMP PROGRAM AND MAKE TAXPAYERS OUT OF THE ABLE-BODIED PEOPLE NOW RECEIVING FOOD ASSISTANCE.

IF ADDITIONAL FUNDING IS ALLOCATED TO THE FOOD STAMP PROGRAM, AND DESCRIBED BY THE PRESIDENT AS AN INVESTMENT, THIS INVESTMENT SHOULD PAY DIVIDENDS---TO THE ABLE BODIED PEOPLE NOW RELYING ON FOOD STAMPS AND TO THE TAXPAYER WHO IS FOOTING THE BILL.

I LOOK FORWARD TO HEARING THE COMMENTS OF THE SECRETARY.

MR. CHAIRMAN. I WOULD LIKE TO INCLUDE IN THE RECORD A CHART ILLUSTRATING THE INCREASES IN THE COST OF THE FOOD STAMP PROGRAM SINCE 1979. IN THAT YEAR THE FEDERAL COST OF THE FOOD STAMP PROGRAM WAS $7 BILLION; TEN YEARS LATER, IN 1989, THE FEDERAL COST OF THE PROGRAM HAD DOUBLED TO $14 BILLION.

IN 1993, FOUR YEARS LATER, THE FEDERAL COST OF THE FOOD

STAMP PROGRAM HAS ALMOST DOUBLED AGAIN---TO $25 BILLION.

OVER THE PAST SEVERAL YEARS THIS COMMITTEE HAS HAD THE FOOD STAMP PROGRAM UNDER ALMOST CONSTANT REVIEW. SINCE 1981, LEGISLATION AFFECTING THE FOOD STAMP PROGRAM HAS BEEN ENACTED EVERY YEAR, AND SOMETIMES MORE THAN ONCE A YEAR, WITH THE EXCEPTION OF 1986. THE EMERGENCY FOOD ASSISTANCE PROGRAM (TEFAP) AND COMMODITY DISTRIBUTION PROGRAMS ALSO HAVE BEEN UNDER REVIEW BY THIS COMMITTEE---IN FACT, TEFAP WAS INITIATED BY THIS COMMITTEE.

THIS COMMITTEE, UNDER THE LEADERSHIP OF THE CHAIRMAN, MR. PANETTA, AND MR. EMERSON, HAS ADDRESSED THIS ISSUE WITH FULL AND COMPLETE RESPONSIBILITY, AS WELL AS THE BROADER ISSUE OF MAKING SURE THAT NEEDY FAMILIES, AND ALL AMERICANS, CAN BUY FOOD AT A REASONABLE COST.

THANK YOU MR. CHAIRMAN.

(Attachments follow:)

TABLE 1A. Recent Total Food Stamp Act Expenditures: Current Dollars, Including Puerto Rico
(in millions)

Fiscal year	Benefits[b] (Federal)	Administration[a] Federal	Administration[a] State and local	Total
1979	$ 6,480	$ 515	$ 388	$ 7,383
1980	8,685	503	375	9,563
1981	10,630	678	504	11,812
1982	10,408	709	557	11,674
1983	11,955	778	612	13,345
1984	11,499	971	805	13,275
1985	11,556	1,043	871	13,470
1986	11,415	1,113	935	13,463
1987	11,344	1,195	996	13,535
1988	11,999	1,290	1,080	14,369
1989	12,483	1,332	1,101	14,916
1990	15,090	1,422	1,174	17,686
1991 (estimated)	18,249	1,516	1,247	21,012

[a]Includes all Federal administrative costs associated with the Food Stamp program and Puerto Rico's block grant: Federal matching for administrative and employment and training program expenses and direct Federal administrative costs. Figures for Federal administrative costs beginning with fiscal year 1989 include those paid out of the food stamp appropriation, Puerto Rico's block grant, and the food stamp portion of a separate FNS appropriation for food program administration. Figures for earlier years *also* incorporate estimates ($15-$20 million a year) of food stamp-related Federal administrative expenses paid out of other Agriculture Department accounts (e.g., the Office of the Inspector General)

State and local costs are estimated based on the known Federal shares and represent an estimate of all administrative expenses of States and other jurisdictions (including Puerto Rico).

[b]Includes all benefit costs associated with the Food Stamp program and Puerto Rico's block grant. The benefit amounts shown in the table reflect small downward adjustments for overpayments collected from recipients. Figures reflect both changes in benefits and numbers of recipients and, for Puerto Rico, include amounts spent on agricultural and wage subsidy projects

USDA FOOD ASSISTANCE PROGRAMS

PROGRAM	DATE OF ENACTMENT	FY 1980	FY 1990	FY 1992	FY 1993 4/
		.....in million dollars.....			
Food Stamps	1962	9,191	16,465 1/	23,470 1/	25,121 1/
Child Nutrition					
School Lunch	1946	2,104	3,230	3,870	4,131
School Breakfast	1966	250	591.5	801	891
Special Milk	1955	157	22	22	20
Commodities for School Programs, including bonus and Section 32		944	568.1	725	747
Summer Food	1969	89	163.5	203	230
Child Care Food	1968	214	803.9	1,090	1,327
Nutritional Supplements for Women, Infants, and Children					
WIC	1972	736	2,129	2,673	2,974
CSFP	1969	22	72.9 2/	118 2/	117 2/
Elderly Feeding	1965	72	143.4	152	143
Commodities Donations					
Food Distribution Programs	1936	34	68.3	83.5	83.5
Charitable Institutions	1973	70	66.3	101	101
TEFAP (including bonus)	1981		288.3	254	320 3/
Soup Kitchens and Food Banks	1989		39.4	32	32
TOTALS		$13,883	$24,651.6	$33,594.5	$36,237.5

1/ Includes Puerto Rico block grant, excludes $10.8m to APHIS for tick eradication
2/ Includes Elderly Pilot Projects and bonus donations
3/ Includes $42.3m from Farm Credit Security Act
4/ FY93 estimate includes stimulus funding requests as follows: WIC+$75m; TEFAP+$23m; CACFP+$5m; and, Commodities+$3m
Source: U.S. Department of Agriculture (March 1993)

The CHAIRMAN. The Secretary has informed me that he brought with him Ms. O'Neil and Mr. Braley, who are the experts in the area we will be addressing. I would remind the members we will be working on the time of arrival, as is our practice.

Mr. Secretary, it's always a pleasure and, I might say, an honor for us to have the distinguished Secretary of Agriculture, Mike Espy.

STATEMENT OF MIKE ESPY, SECRETARY, U.S. DEPARTMENT OF AGRICULTURE, ACCOMPANIED BY BONNY O'NEIL, ACTING DEPUTY ADMINISTRATOR, FOOD STAMP PROGRAM; GEORGE BRALEY, ACTING ASSISTANT SECRETARY, FOOD AND CONSUMER SERVICES; AND CHRIS GOLDTHWAIT, ACTING GENERAL SALES MANAGER

Secretary ESPY. Mr. Chairman, it is also an honor and a privilege for me to return to this committee. Thank you for your hard work on this issue, and to you and to Mr. Roberts and also to Mr. Stenholm and Mr. Penny, both of whom have a subcommittee with direct jurisdiction over the matter that we're discussing today. I want to tell you again what a pleasure it is for me to return here to talk with so many of my friends and former colleagues that I've worked with on hunger issues in the past.

Mr. Chairman, I understand that I'm the first Secretary of Agriculture to ever address this committee on our effort to seek antihunger legislation. I think that demonstrates not only my personal commitment to this issue, to the issue of eliminating hunger, but also it demonstrates the commitment of this Clinton administration.

It's a pleasure for me to comment on this long-overdue legislation named in honor of my beloved friend, the late Mickey Leland, from your State of Texas. Just yesterday I signed and delivered to the Congress the administration's legislative proposal for the food stamp program. We are very proud of the comprehensive package that we've submitted, and I'm certainly here to support that package.

Mr. Chairman, I'm here to comment on it in a way of summary. We have many, many experts here, and two of them are sitting beside me: Ms. Bonny O'Neil, the Acting Deputy Administrator of the Food Stamp Program, and Mr. George Braley, the Acting Assistant Secretary for Food and Consumer Services. We have Mr. Chris Goldthwait, who many of you know. Chris has worked a long time in the USDA, and he presently serves as Acting General Sales Manager. We also have Ellen Haas, who, if and when confirmed in a few days, will be the permanent Assistant Secretary for that same division, Food and Consumer Services. And we have Mr. Frank Vacca, who is also here today, who, when confirmed, will be the Assistant Secretary for Congressional Relations.

So we've got a big team here today, and I'd like to move forward by summarizing this very comprehensive bill, and then asking those who are with me today to share answers to questions that you might have.

Let me also introduce, though, Reverend Larry Jones, who we had lunch with today, Mr. Chairman, and who has agreed to join us on the screening committee for the hunger forums that you

mentioned in your opening statement. Of course, everyone's familiar with Reverend Jones by way of TV and by way of his long history in ameliorating conditions of hunger in the United States and throughout the world as director and chairman and czar of his Feed the Children organization.

I'd like to also recognize the longstanding leadership of you, Mr. Chairman, on the issue of alleviating hunger in the United States and overseas, and I do look forward to working with Congressmen Stenholm and Penny on these issues as well as my good friend from Missouri, Mr. Emerson, who I've worked with many years on the issues of one-stop shopping and EBT reform and the like.

Last, I'd also be very, very remiss if I did not mention the role of our OMB Director, Leon Panetta, as a leader in shaping our Nation's food assistance programs that benefit millions of low-income individuals in desperate need. So this bill today not only has the imprimatur of the OMB from a policy and a fiscal standpoint, but from his yeoman's work as a member of this committee, Mr. Chairman, we know that we have the stamp of Leon Panetta's heart on this bill as well.

Our comprehensive food stamp legislation is an investment in the future of our Nation, and in my opinion, Mr. Chairman, it is an investment that is long overdue. Today we have a tragic situation due to poverty and hunger that continues to exist within our powerful Nation. In the richest country on the face of God's Earth, we have 35.7 million people living in poverty, according to the latest statistics, and 21.8 percent of our children, more than one in five, grow up in conditions of extreme poverty. So today we are announcing yet another all-time high in food stamp participation.

Last February, Mr. Chairman, we announced a record-setting level of 26.9 million Americans who received food stamps in February of 1993, and that's about 1.5 million more than February of 1992, so we have an unprecedented need for food and certainly an obvious need for participation in this particular bill. This is a bill that is bold. It addresses a problem that we have existing in America today, but it also has a number of changes in management and administration, and it also addresses existing and persistent questions of fraud and enforcement.

Mr. Chairman, 1 out of 10 people receive food stamps, and these people live in households with gross incomes at or below 130 percent of the poverty line, which, as you know, is about $14,350 a year for a family of four. Eight in 10 of every food stamp recipient has children or elderly within their family, and they receive a monthly benefit that averages about $68 per person. That's about $2.25 per day, or 75 cents a meal, per person. So this is not some bonanza that we are here asking for today.

We think this bill is necessary so that the next generation of Americans will not have to decide whether to heat their homes or to pay their rent or to feed their children. We endorse this bill so that basic benefit levels can ensure that people can still buy an adequate, though inexpensive, diet at the end of the year as well as at the beginning of the year. We would like you to consider this bill favorably so that people won't have to sell their cars to receive food stamps in addition to the time that they're trying to look for work, so that people paying and receiving child support are encour-

aged to do so rather than discouraged to do so, and that these and other provisions of our bill will ease the burden of lingering economic problems that face families throughout our Nation today.

Mr. Chairman, I'm also pleased to point out that all of the provisions of our bill are fully effective by the second year, fiscal year 1995, so that there are no hidden costs in the outyears. So this could be referred to as a truth-in-budgeting bill. Also, the cost of this bill falls within the House concurrent budget resolution, so we believe that we can afford it.

The legislation that we have submitted recognizes the past work of this committee. As you have pointed out in your opening remarks, the Mickey Leland antihunger assistance bill has passed this committee and indeed has passed the House of Representatives two times before. But in this bill we have included several new ideas regarding the promotion of self-sufficiency and to provide an assurance to the American people that the program will be well-managed and as free of abuse as humanly possible.

In addition to our continued commitment to expansion of the EBT, which is electronic benefits transfer, we have put before you a number of specific proposals which will enhance program integrity. We've also presented a number of items which will result in proper savings. We should resolve today that this opportunity to invest in our Nation's future should not pass without our taking action.

Before I conclude, Mr. Chairman, since the text of my comments have been included in the record, I'd like to just hit on three items that I know this committee remains or has a substantial interest in: The area of international food assistance, the area of antifraud and enforcement, and, last, an area that I've worked on, the area of self-sufficiency or empowerment and attempting to help Americans get off food stamps and on the road of independence. I'll do so very briefly.

In the area of international food assistance, the United States contributes over one-half of the world's food aid, and this will amount to over 10 million metric tons in fiscal year 1993. Of this, the USDA programs a little more than one-half and AID a little less than one-half in most years. USDA manages three food aid programs. These include the Public Law 480, title I, which will provide over 2.5 million tons of assistance in fiscal year 1993; section 416, under which we will provide nearly 2 million tons; and FFP, food for progress, which has been in vogue of late, under which we will also provide roughly 2 million tons this fiscal year, not including shipments under the special food for progress credit program for Russia. We also attempt to meet food needs in many areas of Africa and in the crisis areas of the former Soviet Union.

In the area of self-sufficiency, we need to encourage those who can to prepare themselves to become self-sufficient citizens who are able to provide for their families without reliance on the food stamp program or other public assistance. I am pleased to recommend to this committee a number of initiatives which move toward this worthy goal.

The first of these initiatives is one that many of you have heard me talk about in my entire service in this great institution. It would authorize us to test allowing a limited number of families

who have already qualified for food stamps to set aside in special savings accounts money to help them seek future independence through education, training, or purchase of equipment related to self-employment. They would be allowed to accumulate up to $10,000 over a 4-year demonstration period for this purpose. We would fully evaluate to what extent households take advantage of this opportunity and to what extent it in fact results in increased self-sufficiency.

In further recognition that education and training are vital links to future independence, I am proposing that we increase the amounts we reimburse participants in employment and training programs, that we allow those who are already working to deduct additional amounts from income for child care expenses, and that we encourage young adults to continue their high school educations by not counting some of their income so long as they are in school.

Mr. Chairman, we know that this is something that you have supported for quite a long time. We need to recognize that some students, perhaps because of language difficulties, may take longer to complete their high school education and need special encouragement. This provision would provide that encouragement, in our opinion.

Last, that there are other families who are denied food stamps because they own a car worth over $4,500. We propose to raise that limit to $5,500 in fiscal year 1994 and to index it to future years. To have to sell a car which would be needed to seek and to retain future employment just because it's worth over $4,500, to me, doesn't make good economic sense and, to me, makes no sense at all. Even a food assistance task force established by former President Reagan recommended that the limit be raised to $5,500, and that was in 1984. We think that in that regard President Reagan had a great recommendation. [Laughter.]

Mr. Chairman, in the area of antifraud, penalties, and enforcement, we've done a number of things we think will tighten this bill and provide for program integrity. Because improving the integrity of the food stamp program will always be an important goal of this administration, our proposal includes two full titles containing good management and integrity proposals. These proposals coincide with the Department's ongoing efforts in the areas of expanding electronic benefit transfer as an issuance alternative.

Proposal No. 1: We'd like to expand the use and disclosure of program information, the sales and redemption information, provided by retail stores and wholesale food concerns to State and Federal law enforcement and investigative agencies. This proposal would enhance the Department's enforcement and investigative activity by allowing us to match and to verify information in our files with information in the files of other law enforcement and investigative agencies that may provide evidence of violations in programs administered by the Food and Nutrition Service.

Proposal No. 2: To authorize the sharing of debt collection information on former food stamp recipients to permit collection of outstanding overpayment claims by Federal salary offset, permanently authorizing the collection of outstanding overpayment claims by tax refund intercepts, and to permit the recoupment of State agency error claims.

Proposal No. 3: To authorize street trafficking demonstration projects in which State or local food stamp agencies test innovative ideas for investigating street trafficking. The rationale for this is because the Department's and State agencies' investigative resources are insufficient to pursue street trafficking, particularly the sale of food stamps outside issuing offices by recipients for cash at a discount. It is essential to enlist State and local law enforcement agencies to assist in these investigations.

That, Mr. Chairman, in essence is the summary of this very complex, but very necessary bill. I'm here as the Secretary of Agriculture speaking not just about farm programs, but also about a very necessary and important part of what we do every day, and that's to provide nutritional support for Americans who, through no fault of their own, find themselves unable to do so.

Thank you. With that, I'll turn it over and ask for questions.

[The prepared statement of Secretary Espy appears at the conclusion of the hearing.]

The CHAIRMAN. Thank you very much, Mr. Secretary. Just let me mention a couple of items. One is that during your tenure here as a member of our committee, we passed the Mickey Leland bill twice. Regretfully, funding was not available, and we had to do some juggling. Hopefully, one of the prime movers of that legislation now is in a position to help with some funding, so we look to OMB and our dear former colleague, Mr. Panetta.

Also, there is much concern about the terrible situation we see around the world, and we lost one of our Members, a friend, a brother, a colleague from Texas, Mickey Leland because of it. The sad part is that Mickey Leland gave his life on a mission not to bring food. The food was there. The availability of the food was never in question. He was shuttling between rival factions to allow the food to go through. The food was there. The food was available. He was one of the very few, perhaps the only one, in the Congress that had that ability and knowledge and the acquaintances to be able to speak to rival factions in that area where he finally gave his life.

All of us know that it came about when a child died in his arms. So I have personally dedicated myself to that effort, and we pray that aside from the substantive of getting the food, that somehow the world forums and the conscience of people would be such that this would not happen. That was happening in Somalia, and that was happening in Mozambique, and that was happening in Ethiopia, and that was happening in the Sudan. Hopefully, our diplomats will find a way so that those—like the Feed the Children Program—I'm sure the good doctor has had similar problems that out of the kindness and generosity and human sensitivity of people that you hit a wall when, for political or other reasons, they will not let the food go by. So we hope that that effort shall not be diminished, either, by those that handle the diplomatic areas.

We are going to have hearings, Mr. Secretary, on a very disturbing piece of information that has been made public, and this is the study made through the nutrition screening initiative, working with the elderly, and the information is not good at all. The 132 doctors surveyed, members of the American Geriatric Society, estimated that malnutrition among their own elderly, their patients,

was 26 percent. The National Gerontological Nurses Association estimated 28 percent. The doctors estimated malnourishment in elderly hospital patients at 43 percent, and the nurses said malnourishment was present in 57 percent of elderly hospital patients and 38 percent of elderly nursing home residents.

I am asking our subcommittees to look at this report and go beyond the report to ensure that what you're recommending and the administration is recommending, Mr. Secretary, will address some of these issues. We need to focus on this specifically, because in 1993 in the United States of America, this is not acceptable. It's totally unacceptable, and we will do our best to see that this issue is addressed.

We have two bells, which allow us 15 minutes, Mr. Secretary. We're ready for questions by members, but perhaps we can begin with some members and then rotate as we have the availability. It's a vote on the journal, and I think that my responsibility to you as a distinguished guest is that at this stage of the game, I can miss a vote now and then. [Laughter.]

So I will stay here with you as members come and go.

Secretary ESPY. Mr. Chairman, I appreciate that, but as I mentioned to you at the outset, I have a pressing engagement in the other body on the other side.

I could certainly ask my colleagues to remain to answer whatever questions you might have, but I could——

The CHAIRMAN. Well, members are here who might want to briefly address the Secretary. If there is no objection, unanimous consent is given that all prepared statements from the members will be inserted in the record at the beginning of the hearing.

Let me just briefly yield to Mr. Penny, the chairman of the Foreign Agriculture and Hunger Subcommittee.

Mr. PENNY. Thank you, and I appreciate the Secretary's interest in the international hunger dimensions and particularly our collaboration on the Russian aid package in recent weeks.

I do want to ask you a question that's somewhat off the topic, but I'm curious to know, as you contemplate reorganizing the Department, what thoughts you might have about those programs within the Department that are related to domestic hunger issues and how reorganization might affect that arena.

Secretary ESPY. Thank you, Tim. I appreciate the question. We've not set in concrete any plan to reorganize USDA, but in my mind, the present programs that we have, particularly those in the Assistant Secretary for Food and Consumer Services, would remain largely unaffected by any reorganizational proposal. The only areas that we've talked about as of late and that have been rumored to be under consideration for reorganization have been those in the international food context. There has been some talk of separating the Under Secretary for International Affairs and Commodity Programs into the Farm Service Agency and to create a new Under Secretary position for International Affairs, and under that I would expect that we could put the ILCD and the Foreign Agricultural Service.

I'm not announcing that today, and I'm not even sure it's going to happen, but that has been talked about more than any other as-

pect of nutrition assistance. But nothing in the domestic has been even discussed.

The CHAIRMAN. Any other member that may want to address the Secretary at this time?

Mr. Roberts.

Mr. ROBERTS. Mr. Chairman, if you don't approve the journal, somebody has to read it, and that could take weeks, so I'm going to go vote on the journal to make sure that it is approved as read. Actually, I'm going to vote against it unless it gets down to one vote.

But at any rate, I just want to ask a very quick question, and I'm going to leave the speech out, Mike. Is there sufficient funding in the food stamp employment and training program to accomplish the goal of the President, who has stated he wants to end welfare as we know it and he wants a welfare reform proposal? I know you're going to participate in that initiative, but with only three-tenths of 1 percent in that employment and training, can't we do a little bit better than that, work on that?

Secretary ESPY. I'll ask Ms. O'Neil to answer that.

Ms. O'NEIL. For fiscal year 1993 we're estimating, based on State plans, that the combined Federal and State expenditures will be about $253 million. In the 1990 farm bill, the E&T program was substantially changed to allow States to target their resources on a smaller number of people. In the past we had the limited funding, and we also required that they serve at least 50 percent of their total caseload, which meant that you couldn't spend very much money indepth trying to help individuals find employment and training. Now, because we've allowed them to target on the hard-to-serve and perhaps put more funds on those individuals, we think we have a far more effective program. Fiscal year 1993 is the first opportunity we've had to implement the changes in the farm bill.

Mr. ROBERTS. Let me point out that $253 million of a $25 billion program is still not where it ought to be, and from a conservative Republican, don't turn down an offer of more money.

Ms. O'NEIL. I might add one other thing, which is about half of our caseload is AFDC recipients, who also receive assistance through the jobs program under the AFDC program.

Mr. ROBERTS. I appreciate that.

I'll be right back, Mr. Chairman.

Secretary ESPY. Thank you, Pat. Let me say also parenthetically that it's increasing because the need has been increasing, and we announced a record participation level in food stamps—26.9 million folks, up 1.5 million from last year, 1992's record level. I would love to find more money to assist individuals to move from the food stamps and ranks of poverty into levels of independence. I would love to do that and have announced within this bill some degree of a demonstration project beyond education and training, but microenterprise and savings accounts to help them move from——

Mr. ROBERTS. I'm going to yield to your expertise and that of Mr. Emerson and people who have worked with this over the long term and done their homework certainly more than I have, and I'm not going to ask you to hit the cargo preference softball out of the park,

but I just mention that in terms of the $700 million that we have been talking about.

I'm not going to ask that question, Mr. Chairman. Thank you.

Secretary ESPY. And I'm not going to answer it. [Laughter.]

But as of late, Mr. Roberts, I've been screaming about it, and I'm going to continue to.

The CHAIRMAN. Mr. Emerson.

Mr. EMERSON. Thank you, Mr. Chairman.

Mr. Secretary, I commend you greatly for the series of conferences you're going to hold around the country on the hunger issue. As you and I have had the opportunity to communicate on this subject, I really see it as the opening opportunity for public education in the broader issue of welfare reform. I think that we cannot ultimately end hunger in this country, which I think must be one of our most serious national goals, without a comprehensive reform of the welfare system.

You know from your long service on this committee and on the Select Committee on Hunger the very extensive work that was done on the Select Committee on Hunger on the subject of welfare reform, because there we had an opportunity to cross jurisdictional lines and get into all aspects of it. I would suggest to you that one of the finest bodies of records or hearings or evidence available in this town on the need for welfare reform is in the files of the now-defunct Select Committee on Hunger. I would certainly hope that as they're closing down that operation that a full set of all of the hearings relating to welfare reform, most especially the subject of one-stop shopping, be made available to you and your staff, because there's a tremendous resource there.

Second, as I cosponsored the Mickey Leland bill, there was a major TEFAP provision in there, and that has not been included in the budget recommendations of the administration, as I understand it. I have had an opportunity to speak with Mr. Braley about it, but I wish the administration would include a TEFAP component in your food initiatives, and I would ask you to reexamine why that hasn't come forward. It is in the bill, but I don't believe it is in the requests of the administration, so I would ask you to take a look at that.

Secretary ESPY. Yes, sir. You realize that. You have been associated with this issue for quite a long time as well as OMB Director Leon Panetta, who authored the TEFAP legislation. So we have an interest in it, and I think it's a valuable and viable program, and we will review it.

Mr. EMERSON. I might say that a lot of those hearings, Leon also, as a former member of the Select Committee on Hunger as well as the Agriculture Committee, participated in all those welfare reform hearings that we had. So you've got an ally there who, together with you, you two already understand the problem.

Secretary ESPY. On the issue of welfare reform, we're working assiduously. Within this administration, the overarching issue of welfare reform has been assigned to the Domestic Policy Council. In that council we have many Secretaries, including the Secretary of Agriculture and the Secretary of Health and Human Services, and we've already begun to work on a comprehensive welfare reform proposal. There are other issues that impact on welfare reform as

well, including the enterprise zone bills and the community development banking bills, and we've met on these already through another interagency task force coordinated through the NEC, the National Economic Council. President Clinton has signed off on that bill, and if I'm not mistaken, it either has been introduced or will be introduced very soon.

Mr. EMERSON. Thank you.

Secretary ESPY. Thank you.

Mr. EMERSON. Thank you, Mr. Chairman.

The CHAIRMAN. I thank the gentleman.

Mr. Secretary, for the information of some of our guests, you heard the word "TEFAP." The letters signify a program that is called the Temporary Emergency Food Assistance Program; therefore, the acronym TEFAP.

Mr. Secretary, I might inform you also that our version of the Mickey Leland bill that hopefully will pass here within the next couple of weeks does have the TEFAP section in it, and hopefully we'll be able to move it along.

This is just off the top of my head, but many people think that welfare is just a check to some needy person out there. But the complexity of the welfare is such that it's a combination of programs, most of which fall within your jurisdiction—the food stamp, the feeding the elderly, the WIC, the school lunch, the school breakfast, the surplus commodities, the food pantries. So the so-called welfare programs are a major part in the Department of Agriculture, and we will be working with you in that respect.

I don't know if we'll have any members back in time before you have to make your appointed meeting on the other side, Mr. Secretary. I expect they'll be upset at me for letting you go, but I know your commitment on the other side.

I'm sorry. We still have Mr. Allard here.

Mr. ALLARD. I went to vote early so I'd have an opportunity to ask one question.

I am interested in the foreign aid issue and wanted to at least pose one or two questions in regard to that. President Clinton in Vancouver had promised about $700 million in food to Russia, and yet Russia will not receive the $700 million in food, and U.S. farmers will not sell $700 million. This is due to the cargo preference rules, which require that 75 percent of food for progress sales are shipped on higher-cost U.S. ships. You have expressed concern about the tremendous increase in freight rates. Wouldn't it have been preferable to use the credit guarantee program, taking advantage of the Paris Club rescheduling agreement?

Secretary ESPY. Wayne, to say that I have expressed concern is an understatement. I've expressed outrage at the incredibly high level of cost attributed to the U.S. flag vessels. There's great disparity between the current quotes for U.S. flag vessels against the foreign flag vessels. To me, it's inexcusable, and even though we have the mandate in the food for progress program to carry 75 percent of commodities through United States means, I will be very judicious and careful to make sure that we comply with the spirit and intent of the law, which also includes making sure that our Russian friends get as much food as possible.

Now, with regard to the GSM program, I have to say to you that just as I'm careful to comply with the FFP law on the 75 percent cargo preference, I'm also careful to comply with the creditworthiness standards under the GSM–102 program. The fact of the matter is that Russia has been declared, through its arrearages, a debtor, and there are substantial arrearages continuing under the GSM programs, and that's why we had to suspend additional sales under GSM–102.

That is a law passed by this body, so this body might want to consider reducing, weakening, minimizing, or whatever, the creditworthiness standard. But the fact is that I have to act within the law and, therefore, am unable to extend under GSM–102, notwithstanding the action of the Paris Club. They rescheduled some debt, but there are arrearages that still remain, and I believe—and Chris could correct me if I'm wrong—there's a June date for repayment of some millions of dollars in arrearages, and we'll see if they can pay. It's $480 million that remains yet unpaid.

Mr. ALLARD. I'd like to thank you for your position. I appreciate that. If I recall, your predecessor had a similar position in calling on the Congress to try and correct the creditworthiness test.

I guess we need to just get down to our day-to-day problem, so the next question I have is, what sort of feel are you getting from the administration on how they're going to pay for those increased costs in the freight that you've talked about?

Secretary ESPY. President Clinton in the Vancouver Conference committed a $700 million package to President Yeltsin. I'm obligated to carry out that promise, and I'm going to do it as best I can. There are a number of options available to the Secretary of Agriculture within the Public Law 480, title I, as well as the food for progress program, and I'm looking at all the options and will be exercising some of those options in due course.

Mr. ALLARD. Do you anticipate that money coming from the $700 million, or will there be another source?

Secretary ESPY. What money?

Mr. ALLARD. For shipping the commodities to Russia.

Secretary ESPY. Yes, sir. The $700 million is a cap, and we can't go over it. However, the transportation costs are included as a cost within the total cap. That's why we're so concerned about it. We want to send as much food as possible, obviously, and for every dollar we spend on transportation costs is a dollar less that we can commit to the value of food. So we have to exercise every option we can to maximize the value of the package. But it is a concessional sales program. I mean, Russia will be repaying the $700 million, including the cost of freight.

The CHAIRMAN. I thank the gentleman for his contribution.

Mr. ALLARD. Thank you, Mr. Chairman.

The CHAIRMAN. We're going to do it out of order, but if the members could be as brief as possible on the hunger issue, not on other items, because the Secretary must leave at 2:30 p.m. or shortly thereafter.

Ms. Long.

Ms. LONG. Thank you, Mr. Chairman.

It's good to have you here again, Mr. Secretary, and welcome back. I would like to ask you about your position on H.R. 1195, the quality control amendments.

Secretary ESPY. Jill, I can appreciate the question. I know that you have an interest in H.R. 1195.

Ms. LONG. A major interest.

Secretary ESPY. A major interest. A major authorizing interest, I understand. Let me say to you that I'm an advocate for quality control, but I think that we should be allowed to have time to tighten the quality control elements within the current bill. We have some problems in States, particularly in the State of Florida and others, where we have witnessed some abuse and error rate problems in the delivery of some of our programs, and I've been in there 96 or 97 days, and I think that we should be allowed a chance to attack the problems before we have any new attempts to legislate new standards.

We met with some of those States where we're having problems, we've worked out resolution, and we'll be announcing those very shortly. So I'm unable to endorse the bill that you're mentioning as of the moment, because I want to have time to tighten the food stamp program and to promote the integrity of the program as it stands now.

Ms. LONG. Well, let me ask you, in your written testimony, you indicated on page 10 that you cannot support the bill, which is a somewhat different statement than "I am not endorsing the bill," and it would be my hope that there would be an opportunity for us to work with the administration, with your Department, on this issue. Could you tell me with regard to the provisions in the bill—and I don't think that we should do anything to back off on making sure that States are responsible and accurate in issuing food stamps, but there are problems with the quality control system as it currently exists, and I would like to hear from you on any specific provisions in the bill that you have trouble with.

Secretary ESPY. Well, perhaps I can turn to some of my colleagues at the table, but let me share with you just my reaction. One is that there's a difference between not objecting to something and not endorsing something. So I don't object to it. I do not. But for me to embrace it, endorse it, and hold it forward as something that we endorse and embrace and put forward, I'm not able to do that as of this time. I will review it to see if we would have any changes in that regard.

Within the discussion of changes and program integrity increases, I can say to you that, one, I am really concerned about maintaining the integrity of the food stamp program. I mean, we operate it in every State, and I would like to have uniform standards. That's why we need to, when we announce these error rates, make sure that we're not treating one State more favorably than another State and that when we announce penalties, the penalties need to have teeth in them. But instead of the State providing penalty payments to the USDA or to the administration, I'd rather return the money under the penalty standard to the State to have them beef up their enforcement and their administration. To me, it's returning money under the standard. We can do that under the law that we're proposing, and that's what I would favor right now.

Ms. LONG. I have no objection to that. In fact, I think that is something that's needed, a provision that is needed, but I also think that in addition to making sure that there is consistency, I think we need to make sure that there is accuracy, that there is validity and reliability in the way the data are collected and the way that they are analyzed for each State. As you know, the samples are very small, but when you run the regression, the statistical precision is low in many cases.

I am one of the authors of the bill, so obviously I don't see any problems in the bill, but I would like to hear from you and certainly would be glad to hear from you in writing on your assessment of the provisions of the bill and hope that we will have an opportunity to work together.

Secretary ESPY. We have worked together, we will work together, and anything you want from me in writing, I'll be glad to provide to your office.

Ms. LONG. OK. I just want to make sure, you're simply saying that you haven't endorsed the bill, but that doesn't mean that with some changes in the provisions that at some point you may be able to.

Secretary ESPY. We'd like to work together, and we promote harmony and consensus, so if there's a way I can do it, I really look forward to discussing it with you.

Ms. LONG. Thank you, Mr. Secretary.

The CHAIRMAN. Mr. Secretary, I wonder if one of your staff that works in that area of food stamps would have any indication as to the progress on the pilot study on food stamp outreach that is being conducted. Where are we on that?

Ms. O'NEIL. There's one study that's actually being conducted now in your home district and is going very well. I think you've visited it and seen it in operation. I think you may be referring, though, to the $1 million in appropriations from last year. We have published solicitations. We have over 900 local grassroots organizations that asked for copies of the solicitation, and by May 10 they're to have their proposals to us, and we hope to make the award within 30 to 60 days after that.

The CHAIRMAN. Good. Thank you.

The Secretary has about 5 minutes, if we could split it up among five members. [Laughter.]

Secretary ESPY. We have good people remaining, though, Mr. Chairman.

The CHAIRMAN. Mrs. Clayton wanted very much to speak—we'll wait and see if she can get back. But before that, we'll do it in a more formal way, but we have with us today the newest member of our family, the replacement of our distinguished Secretary, Congressman Thompson of Mississippi, who very intelligently asked to serve on the Agriculture Committee. [Laughter.]

He has been assigned to the committee, and we may have to reshuffle the whole darn structure to get him some subcommittees, but we're going to work on that.

We'll yield to you at this point briefly, Mr. Thompson.

Mr. THOMPSON. Mr. Chairman, I'm delighted to be here to welcome the Secretary, who I replaced, and look forward to the consensus building and working on behalf of the people of this country.

The CHAIRMAN. Thank you very much. We welcome you, and we look forward to working with you.

Mrs. Clayton.

Mrs. CLAYTON. Mr. Chairman, I thank you as well as the Secretary for having this hearing and indicating that he is so committed personally and explaining why it is important for the administration, for the Secretary, to come out to talk about feeding the American people and providing nutritional programs. It is indeed refreshing to have a balance in that approach.

I also want to ask, if I may, a couple of questions, Mr. Secretary. One is in terms of—you indicated the increase that we have experienced in terms of the food stamp program. I want to ask you, what do you feel the expansion of this would mean for American people?

Secretary ESPY. Well, obviously, Eva, the opportunity to receive nutritious food, the increase in the diet of Americans, the expansion of opportunity. There are a number of changes in this bill that are rather innovative, and that is to reduce the question that many Americans have to face every month when they receive a check as to whether they should take the bulk of it and pay rent or to buy food or to maintain their car or to buy food or to maintain their family or to buy food. I mean, that's the basic question, that there's an increase in the comfort level of parents at the beginning of the month as well as the end of the month in providing food for their families.

Also, through demonstration projects and the incorporation of the EITC and other mechanisms, there is an ability to help the working poor who work 8 hours a day, a 40-hour week, but at the end of the month find themselves still falling below the poverty level move past that point into some degree of independence. Some of this I've thought about for a long time, but we have worked it in here in a demonstration context, so at least we can find out whether or not the ideas we propose will work.

So basically I'll tell you that the fundamental promotion here is food and the ability of Americans to benefit from the largesse that we have within this Nation, which has an offsetting benefit to the farmers as well, because they grow it and provide it through these programs and, through a welfare reform mechanism that I call welfare reform, take advantage of EITC and some of the other things to help them feed their families.

Mrs. CLAYTON. I want to pledge my support for it and tell you that I will take an active role and be an advocate for it. Also, the other advantage I just want to suggest to you—this week there was an extensive report on the impact of nutrition on health, and in addition to the humane and the opportunities for having healthy people, I think it also allows for us to combine those resources.

Secretary ESPY. Yes.

The CHAIRMAN. I thank the lady.

Mr. Smith.

Mr. SMITH. Thank you, Mr. Chairman.

Welcome, Mr. Secretary. It's nice to see you again.

Secretary ESPY. Thank you.

Mr. SMITH. Mr. Secretary, you and the administration have recommended program cuts, a Btu tax increase, the elimination of 0/92, irrigation and waterway user fees that, when added up in Or-

egon and, I suspect, in Greenwood, Mississippi, will cost my average farmers about $12,000 a year. In addition, we're calling for $3 billion in agricultural program cuts—that's out of the agriculture budget, as you know—and, at the same time, a $7 billion increase in food stamps. Mr. Secretary, how do I explain that diversity to my constituents?

Secretary ESPY. I appreciate the question, and it's a little bit off the direct issue of food stamps, but I can suggest that you explain it this way. No. 1, the food stamp program is an entitlement program. It's based on a formula, and obviously, if you increase the number of participants, you're going to increase the amount of money you have to provide to cover those participants. We've had a 1.5 million-person increase in February of 1993 over February of 1992 because of the anemic recovery that we've been on.

Now, I don't want to get political, but if I were in another place, I could expound on this to talk about economic theories which have served to the disadvantage of many Americans. That's why they find themselves in this predicament. No one wants to be on food stamps, but people need to eat, and as they increase in numbers under this formula, we have to provide it. There are 26.9 million Americans receiving food stamps. That's why we have to come before you today to ask for an increase in money.

At the same time, we do have a debt and deficit. We have a $4.1 trillion debt and a $350 billion deficit. I was sitting where you're sitting last year, and I can tell you I was very unenthusiastic about some of those proposals that you've mentioned. I can say to you to tell your farmers, however, that a lot of the specific programs that you named won't impact them in 1993. This is all in anticipation of the farm bill discussions that we'll all enter into beginning next year.

So many times when you propose something, it goes into the pipeline and it comes out much differently than it went going in. So I'm sure that a lot of these proposals will undergo some, through discussions and debate, great changes, and that's not new to anyone.

Last, even though the Btu tax has been proposed, I would say to you, Mr. Smith, that the idea is to reduce the debt and deficit with an offsetting benefit of reducing the interest rates. If we can get the interest rates down and allow farmers to cover more of their overhead costs, that will do more for the American producer than anything that I can mention—lower cost on loans, lower cost on farm machinery—and that's the idea that we're getting toward.

Mr. SMITH. Mr. Secretary, thank you, and I will be looking forward to discussing some of these taxes that you and I both are concerned about, I know. Thank you.

The CHAIRMAN. Mr. Bishop.

Mr. BISHOP. Thank you very much, Mr. Chairman.

Mr. Secretary, let me once again welcome you to our committee, and I just want to briefly commend you for the sensitivity that you have demonstrated toward hunger. The support that you have demonstrated for nutrition programs and the Mickey Leland Childhood Hunger Relief Act I think speaks very, very loudly for your sensitivity to the human needs of our people as well as those people abroad. I commend you for that, and I support it.

I want to take the balance of my time, though, to endorse my colleague, Ms. Long, in her efforts to secure the food stamp quality control amendments as a part of your endeavor. The people of Georgia have indicated very strongly to me that it would be of great help to our department of family and children services in their efforts to feed those people that these programs are designed to help, our young and our elderly, who have, in increasing numbers, begun to take advantage of the programs.

But with somewhat larger rolls, there's been a slight variance in the error rate, and it has caused penalties, which take away from the resources available to the State if they have to pay penalties which they could be making available in services. I'd just like to add my support to what my colleague, Ms. Long, is attempting to do in the quality control amendments.

Secretary ESPY. I appreciate the question. My concern, frankly, is that if we would forgive States for making errors, that's not a healthy way to go. You want to try to be as uniform as you can and not set that kind of precedent. If it's an error and it's an admission, then there ought to be some penalty, to treat one State as you treat another State. But then the question becomes, once you collect the money under the penalty provision, what do you do with it?

What I'm saying to you, as I said to Ms. Long, is that we don't want to receive the money. If it's an admission, if it's an error, don't send it to USDA. I would much rather help the State fix the problem by allowing them to take the penalty and reinvest it in maximizing and making more efficient their program. That's what we are proposing within this bill. I don't want to just forgive an error, because an error is an error. But then we want to return the money through the tightening of the program.

Mr. BISHOP. I appreciate that, Mr. Secretary, and I think that's an enlightened approach to it. However——

The CHAIRMAN. I thank the gentleman. I'm sorry for interrupting him.

Mr. BISHOP. I thought I still had a green light.

The CHAIRMAN. We're not going under the 5-minute rule at this point, and I've got two more—I'll let the gentleman conclude at this point.

Mr. BISHOP. Thank you, Mr. Chairman.

I was just hoping that at least you could look at the rate of the penalty and the size of the margin of error in terms of the imposition of penalty. I think that's the most important provision.

Secretary ESPY. Mr. Chairman, on my time, could I turn to Ms. O'Neil and ask her to answer some of the general quality control mechanisms that we're considering in this bill?

The CHAIRMAN. Yes, of course, Mr. Secretary.

Ms. O'NEIL. I'll be very brief. We have a number of concerns, but some of the specific ones are that the bill would forgive en toto the fiscal year 1992 liabilities. As the Secretary said, those liabilities would go into investments that stay within the State to further improve the food stamp program. That's obviously a concern.

Second, under the proposed bill, it would be based on State-reported error rates. We have some concern about keeping uniformity

among the various States, because penalties are based on a national average.

A third provision we're concerned about has to do with underissuances. Under the current system, you add underissuances and overissuances to determine how well the program is operated. Under this bill, it deals strictly with overissuances.

These are all the kinds of things I think the Secretary is referring to as items that need further discussion and that we would like to work with you on.

The CHAIRMAN. Very briefly, Mr. Barrett and Mr. Ewing, and then the Secretary must leave. But I understand you will leave your professional staff here to answer any questions on the programs, and then after the Secretary leaves, I will turn the gavel over to Mr. Stenholm, who will proceed with the subcommittee hearing that will be a continuation of what we have addressed here.

I appreciate very much your offer to work with us and counsel with us on H.R. 1195, Mr. Secretary, and we will be working with Ms. Long, who is the lead author, and all of the other—I think there are about 37 or 38 cosponsors. Maybe more now.

Ms. LONG. There are 47.

The CHAIRMAN. We'll be working with you on that.

Mr. Barrett.

Mr. BARRETT. Thank you, Mr. Chairman.

Welcome back, Mr. Secretary.

Secretary ESPY. Thank you.

Mr. BARRETT. Very briefly following up on your written testimony, you indicated in implementing food for progress that there is a $30 million-per-year ceiling, and I guess, initially, can you tell us if that has been exhausted at the present time?

Secretary ESPY. Yes.

Mr. BARRETT. It has. You also mentioned to Mr. Allard, I believe, that you have other options that you're working with to perhaps—I hate to use the word "exceed" or "get around," but you can move money within the agency?

Secretary ESPY. Well, the $30 million has been exhausted, and in order to consider other options, we could certainly come to the Congress to ask for that freight cap to be lifted. We could do that, but that, of course, would lead to a debate that I think would be rather protracted, but might be a debate that we should consider engaging in.

In the meantime, certain promises have been made. In the meantime, certain people are going hungry. In the meantime, certain farm yields are accumulating, and in the meantime, our outlays are increasing. So we have to do something now. Within the food for progress program, we have a number of options that the Secretary of Agriculture can use. You perhaps know as much about this as I do, and I don't want to announce anything today, but before I announce anything, I must consult with the agricultural leaders in the Congress on the options that I can use, and there are certain members that can attest here today that I've begun to make these calls, because I'm considering exercising some of our options.

The options include transfer of certain money under finding-of-emergency authority, and there are other things. But we must com-

ply with the 75 percent standard of transportation through the FFP program on the U.S. flag freight vessels. Within that avenue, there are certain things I can do as well, but we will comply with the spirit as long as I'm allowed to also consider compliance with the spirit of feeding the hungry in Russia, and you can't do that through anything other than food means.

So we're considering all of these options. That's the best nonanswer I can give you. [Laughter.]

Mr. BARRETT. Well, let me ask, in the interest of time, one more quick one. Do you have the power within USDA under extraordinary circumstances, an extraordinary emergency, to waive any of these caps rules? Does the administration have that power?

Secretary ESPY. The President of the United States has the authority to waive cargo preference. The Secretary of Agriculture does not.

Mr. BARRETT. Thank you, sir.

The CHAIRMAN. Mr. Ewing.

Mr. EWING. Thank you, Mr. Secretary, for being here today. You have introduced some provisions in this legislation on food stamps and addressing some of the problems with fraud, which I strongly endorse and come out of—not come out of, but are similar to legislation I've introduced. There are two things, though, that this bill doesn't have that I think are very good ideas, and I'd like to bring them to your attention.

One, when dealing with the sharing of information between agencies that could help lead to apprehension of fraud, there's no safeguard against unauthorized use of application information. We have found through the business community that they're very concerned about this, and they would like to see some safeguards built into that so that if this shared information is improperly used, then those who improperly use it could be subject to fines.

Two, disqualification of recipients who use food stamp programs for trading food stamps for firearms, ammunition, explosives, or controlled substances, my suggestion was that we should disqualify them after one incident. The law currently is three incidents; your bill doesn't address that.

Would you have any comments or would you be interested in those suggestions?

Secretary ESPY. Let me turn to Ms. O'Neil for an answer on that.

Ms. O'NEIL. In terms of penalties for misuse of information, we would be happy to include language appropriate to that.

The second issue has to do with individuals, and our particular concern in not including that was, for example, a reformed drug addict. The way your bill is drafted, that individual would be disqualified for life from the food stamp program, and we thought perhaps that was overly harsh.

Mr. EWING. But only if the drug addict or the person had done it before he was reformed. Is that the problem?

Ms. O'NEIL. That's correct. It's a life disqualification, though, in your bill, so if later on they become reformed, they would still be disqualified from the program.

Mr. EWING. I guess my concern—and maybe there is some room for compromise at two times—we wonder how many times they get by with it when they're never caught, and I think everybody is en-

titled to one mistake, but maybe two mistakes, particularly in something as bad as controlled substances, ammunition, firearms, we should take another look at. We'll be in touch with you. Thank you.

Secretary ESPY. Thank you.

The CHAIRMAN. Thank you very much, Mr. Secretary.

At this point, the full committee will recess, subject to the call of the Chair, and the hearing will continue with Chairman Stenholm.

[Whereupon, at 2:55 p.m., the committee adjourned, to reconvene, subject to the call of the Chair.]

[Material submitted for inclusion in the record follows:]

TESTIMONY OF

THE HONORABLE MIKE ESPY

SECRETARY OF AGRICULTURE

BEFORE THE

HOUSE COMMITTEE ON AGRICULTURE

APRIL 28, 1993

Good afternoon, Mr. Chairman and Members of the Committee. It is indeed a pleasure to be back here among so many friends and former colleagues to consider H.R. 529, the Mickey Leland Childhood Hunger Relief Act. I welcome this opportunity to comment on this outstanding and long overdue legislation, named in memory of our beloved friend, the late Mickey Leland of Texas, and to present the Administration's legislative proposals for the Food Stamp Program.

Before I begin today, I would like to thank Chairman de la Garza, Chairman Stenholm, Congressman Emerson, Members of this Committee, and OMB Director Panetta for taking a leadership role in shaping our nation's food assistance programs and for fighting to protect the benefits these programs provide to millions of low-income families and individuals in desperate need. As our country struggles to make hard choices in the budget, millions of Americans--including more than 13 million children and 2.8 million elderly and disabled adults in the Food Stamp Program--depend upon us to preserve a safety net of food assistance. As

Secretary of Agriculture, I pledge that this Administration will work with you in a harmonious partnership to pass this vital legislation, and send it to the President in the near future.

It is fitting that food assistance legislation in recent years has been named in memory of Mickey Leland. I had the honor of working side-by-side with Mickey in our years together serving on the House Select Committee on Hunger. He was a wonderful friend and an inspired anti-hunger activist. Mickey's vision, determination and wonderful personal style made him the kind of man whose leadership brought about changes in hunger policy that touched the lives of millions of people worldwide and shapes our view of "what's possible" yet today.

I would also like to recognize and thank another close friend and former colleague on the House Select Committee on Hunger, Rep. Tony Hall, for his dedication and tireless efforts to call attention to the world's hunger problems following Mickey Leland's death.

Tony's profound sense of mission and moral imperative--as evidenced in his fast--is deeply heartfelt and expresses a unique and truly spiritual commitment to providing food security for his fellow men and women here and abroad.

DOMESTIC ASSISTANCE: The Food Stamp Program

The Food Stamp Program is our nation's foremost food assistance program serving needy families. It is administered federally by the U.S. Department of Agriculture's (USDA) Food and Nutrition Service (FNS), and by State and local welfare departments. Eligibility and benefit levels are set by law and are uniform in the contiguous States.

The recession of 1990/91 and a weak economy since then have brought millions of Americans onto the program, and the surge is continuing. The latest national food stamp participation data show a new record-breaking 26.9 million people--more than one in ten Americans--turned to the Food Stamp Program in February. That is up nearly 1.5 million over February of the previous year. This unprecedented need for food assistance clearly shows that the recovery still has produced no major increase in jobs or family income.

One in ten Americans. At first, it might seem hard to grasp that there can be so much need in our land of plenty. Yet, regrettably, the need is painfully real.

Nine out of every ten households receiving food stamps have gross incomes at or below the poverty line (currently $14,350 for a family of four). More than eight out of ten food stamp

households have children or elderly and disabled members. The Food Stamp Program currently provides households with average monthly benefits of just $68 per person. This amounts to just over $2.25 a day, or 76 cents a meal for each person.

As you know, President Clinton has asked Congress for $585 million in 1994 outlays and $7.5 billion over the next five years in his budget request to increase food assistance and reduce hunger among low income American families through the Food Stamp Program, and help offset effect of the Administration's proposed energy tax on low-income households. Mr. Chairman, if I may, I would like permission to submit the Administration's legislative proposal called the "Mickey Leland Hunger Prevention Act" for the record.

I would like to summarize these proposals this afternoon and describe how they tie in with provisions contained in the Mickey Leland Childhood Hunger Relief Act, and how they reflect the President's budget request.

Like H.R. 529, the Department's package is intended to ensure adequate food assistance, promote self sufficiency, and simplify administration of the Food Stamp Program. In addition, the Department's package contains a number of provisions designed to improve program integrity.

All of the food stamp provisions of H.R. 529 have been incorporated in the Administration's legislative proposals either verbatim or in a modestly revised version. Identical provision include:

- increasing funding for Puerto Rico's Nutrition Assistance Program by $20 million in FY 94 and $25 million per year in the following four fiscal years,

- increasing the resource limits for households containing disabled members from $2,000 to $3,000,

- increasing the maximum dependent care deduction,

- allowing food stamp households who have a break in participation of 30 days or less to receive a full month's allotment when they return to the program,

- excluding vehicles as resources necessary to transport fuel and water for households (a provision which I know, as a person from rural America, will provide a real benefit to needy people),

- excluding as income transitional housing vendor payments for homeless people who need special help, and

- eliminating procedures for reducing allotments when there is inadequate funding available for the Food Stamp Program because these procedures are not necessary and serve only to add unnecessary anxiety to recipients who may not have confidence in our commitment to assure that their benefits are uninterrupted.

The Department has made only minor changes in five other provisions drawn from H.R. 529. They are:

- the income exclusion for high school students age 21 and younger. (This addresses a concern of Chairman de la Garza that some high school students, because of language or other barriers, may continue to be pursuing a high school diploma beyond the traditional age of 18.)

- the income exclusion for the energy/utility cost portion of General Assistance vendor payments,

- the income exclusion for up to $50 in child support received by households, a provision which the States have long championed because it provides consistency with Aid to Families with Dependent Children (AFDC) and provides an additional incentive to single parents both to pursue and make support payments,

- allowing States to make reimbursements to participants in Employment and Training programs at the same level provided for in AFDC's JOBS program,

- the simplification of the household definition. Our household definition provision clarifies the status of children up to age 21 who are under the parental control of household members, and

- the provision of H.R. 529 that would exclude legally-obligated child support paid to nonhousehold members has been revised to provide the Department authority to establish the method of determining the amount of the exclusion. This provision encourages timely payment by the absent parent and recognizes that this money is not available to the parent for his or her living needs.

The Administration's legislative proposal also contains three provisions which are revisions of similar provisions in H.R. 529. We propose increasing food stamp benefits more quickly by increasing maximum benefit levels to 104 percent of the cost of the Thrifty Food Plan (TFP) on October 1, 1993. This needs to be done to assist households in purchasing the Thrifty Food Plan through most of the year.

In recent years, there has been a great deal of concern expressed by this Committee over how difficult it is for families to feed themselves on benefits tied to the Thrifty Food Plan. Historically, the average cost of the TFP over the course of a year is about four percent higher than the cost in the preceding June. This change will better ensure that benefits will be sufficient to enable people to keep up with food prices.

We also propose to remove the cap on the excess shelter expense deduction more quickly--Fiscal Year 1995--than would H.R. 529. The current cap on the shelter deduction results in an unrealistically low benefit level because it assumes that some households have money available for food which must really go for rent and utility bills. The cap most severely burdens families with children because it is fixed with no allowance for household size.

The Administration's proposal would raise the fair market value of vehicles that is excluded in determining households' resources so that, initially, the limit would rise more substantially than would H.R. 529. The fair market value limit of $4,500 has been in place since enactment of the Food Stamp Act in 1977. Clearly, over the years, the relative quality of a vehicle that households could possess under this limit has seriously eroded. We believe that this is a barrier both to working poor families in trying to come on the program and to

current participants who may need a car to get to a job.

While the Department shares the goals embodied in H.R. 529 and other bills proposed to improve the Food Stamp Program and better serve the needs of low-income families with children, and has included provisions in this bill to attain those goals, we have proposals to further several additional goals.

In addition, the bill empowers food stamp recipients to better their own lives and escape their reliance on Federal assistance. To attain that goal, the Department recommends three additional provisions that are not included in H.R. 529. First, for current participants, earned income tax credits (EITCs) would be excluded from the calculation of resources for one year after their receipt; EITCs are currently excluded as income and as resources in the month received and the next month. The current treatment may cause low-income working families to spend their EITCs quickly to avoid losing food stamp benefits -- a result contrary to prudent public policy.

Second, a provision has been added authorizing demonstration projects to test allowing participating households to accumulate up to $10,000 in resources in order to improve the education, training, or employability of household members or to purchase or repair a house for the household's use or to enable the household to relocate.

Third, the educational income received by students that enables them to further their education or otherwise become more self-reliant would be excluded for food stamp purposes. This conforms more closely with current AFDC policy.

Finally, because improving the integrity of the Food Stamp Program will always be an important goal of this Administration, our proposal includes two full titles containing good management and integrity proposals. These proposals coincide with the Department's ongoing efforts in the areas of expanding electronic benefit transfer as an issuance alternative and retaining a strong quality control system. In terms of quality control, we believe that changes must be approached very cautiously to assure that incentives for error reduction are not weakened. For this reason and others, I can not support H.R. 1195.

The President's Budget includes significant increases in benefits provided by the Food Stamp Program. The increased benefits provided by the Administration's legislative proposal would overwhelmingly assist low-income families with children.

The estimated cost of the Administration's bill falls within the House Concurrent Budget Resolution.

TEFAP

While the Food Stamp Program is the Nation's foundation program in addressing the hunger and nutrition of its low income, vulnerable population, the Department also provides assistance through a number of other programs. One of these programs, which falls under the jurisdiction of this Committee, is the Emergency Food Assistance Program (TEFAP). TEFAP provides commodities for households in need of immediate, short-term assistance. Through TEFAP, in addition to donating surplus commodities, the Federal government purchases and donates to the States a variety of wholesome commodities, which are distributed to needy persons via a network of largely volunteer organizations. They, in turn, distribute these commodities and, in some cases, foods from other sources to those in need of assistance.

The President requests an increase of $40 million over current services for TEFAP in FY 1994. This increase will permit additional commodities to be purchased and allocated to States based on the number of unemployed persons and the number of persons under the poverty line in each State.

FOREIGN ASSISTANCE

Even as we grapple with the issue of hunger here in the United States, Americans continue to work to address the serious

hunger problems that exist in other countries around the world.

Last year, a United Nation's Food and Agriculture Organization (FAO) study estimated the number of chronically undernourished people in developing countries at about 790 million. FAO noted that this number, covering 1988-90, has dropped by about 150 million since the early 1970's--a period, I might add, during which total world population grew by some 40 percent.

So, perhaps, there is reason to be hopeful...to believe that the world has made some headway in combatting hunger through developmental efforts, technology, trade, economic reform, and all those things that help produce growth, reduce poverty, and improve the supply and distribution of food.

We should also recognize that the United States remains the world's largest food aid donor, providing 55-60 percent of annual cereal grain donations by all countries. And private aid in various forms by Americans through religious, voluntary, and business groups is even greater than official U.S. government aid.

Yet these efforts must be acknowledged with more humility than pride, because the magnitude of the problem remains enormous. With more than three-quarters of a billion people

going hungry every day--with lives being lost to hunger and malnutrition--we are still a long, long way from the world we all seek. And every year, in addition to chronic problems related to poverty, the world faces new hunger emergencies. Whatever other issues we are dealing wit, these realities must never be far from our minds.

USDA Food Aid Programs

USDA provides humanitarian food aid through three programs: Title I of P.L. 480, Section 416(b) of the Agricultural Act of 1949, and the Food for Progress Act of 1985.

P.L. 480 focuses on the needs of developing countries and emerging market economies. Its goals are to help meet humanitarian needs, provide needed calories and nutrients, and establish a U.S. market presence abroad. The Food, Agriculture, Conservation and Trade Act of 1990 assigns specific responsibility for Title I concessional credit activities to USDA. The Agency for International Development (AID) administers Title II, covering emergency and private assistance donations, and Title III, covering food aid grants to support economic growth in least-developed countries.

Title I provides government-to-government financing for sales of U.S. agricultural commodities at below-market interest

rates, with repayment terms of up to 30 years. USDA expects to provide about 2.6 million metric tons of commodities under Title I this fiscal year to about 25 countries, compared with 2.3 million tons to 24 countries last year.

Under Section 416(b) authority, USDA provides donations of uncommitted Commodity Credit Corporation (CCC) stocks to needy people overseas. A substantial portion of this aid is being distributed through the multilateral World Food Program. In total, we expect to provide nearly 2 million metric tons of food to 38 countries this year under Section 416(b).

The Food for Progress program is implemented using either funds appropriated to carry out Title I of P.L. 480, or the authorities of section 416(b). Under this program, USDA provides commodities on grant or concessional credit terms to needy countries and emerging democracies to reward effort toward agricultural reform and free enterprise. A significant portion of the aid is provided through private U.S. voluntary organizations (PVO's).

As you know, in implementing Food for Progress, the use of CCC funds for freight and other noncommodity costs is limited by law to $30 million per year. The annual 500,000 ton limit on the quantity of commodities that may be provided under Food for Progress does not apply to commodities furnished to countries of

the former Soviet Union (FSU) during Fiscal Year 1993. Assuming a resolution of the freight issue, USDA expects to provide nearly 2.3 million tons (plus an as yet undetermined tonnage for the $700 million program announced by President Clinton in Vancouver) of commodities under Food for Progress this year, with all but about (450,000) tons going to the FSU.

USDA's aid programs are designed primarily to meet chronic, predictable food deficits rather than emergency situations. These programs complement the AID-administered titles of P.L. 480 that are targeted to food aid emergencies and providing food for very poor countries. USDA and AID work closely together in planning food assistance, and USDA tries to allocate resources to help meet emergency situations.

In this context, it is important to note that we have faced increased worldwide food aid needs in the last few years, coming at a time of tight resources and a serious economic slowdown in the United States and in other food donor nations. These growing needs have reflected not only natural disasters, but to a greater extent civil strife, ethnic conflicts, and major geopolitical changes. This has resulted in a significant shift in dollar coverage over the last few years to respond to the needs of emerging democracies in the FSU and Eastern Europe, as well as to urgent situations in other parts of the world, such as last year's severe drought in southern Africa.

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Mr. Chairman, I would like to turn now to how USDA is using its food aid programs to help meet the critical needs in some of the most vulnerable areas. USDA is primarily using Section 416(b) donations through the World Food Program (WFP) to meet the more critical needs in several African countries. For example, of the planned 745,000 tons of U.S. commodity donations through the WFP, more than 560,000 tons--or about three-fourths of the total--are targeted to Africa. Most of this is corn.

Another part of the world where we are focusing USDA attention, of course, is the FSU. As you know, U.S. government food assistance is being met primarily under the USDA-administered programs through government-to-government agreements and through U.S. private voluntary organizations (PVO's). In the Transcaucasus we are providing assistance to two of the three republics--Armenia and Georgia. We also are providing assistance to all five central Asian republics, but the greatest needs are in Kyrgyzistan and Tadjikistan.

Limited Resources for Increased Needs

Mr. Chairman, the United States has maintained a strong commitment to combat world hunger, both as a moral obligation and for national self interest in a peaceful, prosperous world. Today, USDA and AID together are providing food assistance to help meet emergency situations and chronic food deficits in about

80 countries around the world. We anticipate increased needs relating to continuing geopolitical change, a growing tide of nationalism in many regions, and the increased potential for civil strife.

Mr. Chairman, we recognize the increased magnitude of the problems we face -- and their human dimensions -- and we will continue to work with AID, other U.S. agencies, and the world community in a concerted effort to make the most effective use of available resources to alleviate hunger and suffering around the world.

CONCLUSION

Mr. Chairman, hunger is a global problem which we must all work to alleviate. However, world hunger is not an easy problem to solve, but it is a problem we must embrace; for I know that hungry people do not just exist in Somalia.

Mr. Chairman, the true measure of our food policies is how they change people's lives. A decent society cannot close its eyes to hunger in its midst. I hope I have succeeded today in giving you a good idea of the magnitude of the Clinton Administration's commitment to food assistance for America's needy. No one should go hungry in America for lack of means. That was Mickey Leland's dream. That is our dream.

Mr. Chairman, this concludes my remarks. I would be happy to answer any questions that you or the Members of the Committee have at this time.

ISBN 0-16-041111-4